FOREIGN BROADCAST INFORMATION SERVICE

# Daily Report

# Central Eurasia

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# Daily Report
## Central Eurasia

*FBIS-SOV-96-001* *2 January 1996*

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## Key Results

### Electoral Commission Announces Official Results

*LD2912201595 Moscow INTERFAX in English 1850 GMT 29 Dec 95*

[FBIS Transcribed Text] MOSCOW, Dec 29 (INTERFAX) — The Central Electoral Commission announced Friday the official results of the elections to the Russian State Duma held on December 17.

The Communist Party of Russia has a significant lead on federal party lists in 225 electoral districts with 22.3 percent of the vote (15,432,963 votes), followed by the Liberal Democratic Party of Russia with 11.18 percent (7,737,431), the Our Home Is Russia movement with 10.13 percent (7,009,291) and Yabloko with 6.89 percent (4,767,384).

The remaining election blocs did not overcome the 5 percent barrier. Women of Russia with 4.61 percent of the vote (3,188,813 votes), Communists & Working Russia for the Soviet Union with 4.53 percent (3,137,406), the Congress of Russian Communities with 4.31 percent (2,980,137) and the Workers' Self-government Party with 3.98 percent (2,756,953) got most close to the required 5 percent.

The Russia's Democratic Choice bloc got 3.86 percent of the vote (2,674,084 votes) and the Agrarian Party of Russia won 3.78 percent (2,613,127).

The number of people with the right to vote in Russia totals 107,496,558, of which 69,204,820 came to the polls. Valid ballots totalled 67,884,200 with 1,320,620 ballots declared not valid.

The Derzhava (Great Power) bloc got 2.57 percent of the vote (1,781,223 votes), Duma 96 movement — 0.08 percent (55,897), Transformation of the Fatherland — 0.49 percent (339,654), Tikhonov-Tupolev-Tikhonov bloc — 0.15 percent (102,039), Movement of Russian Peoples — 0.12 percent (86,422), NUR Moslem movement — 0.57 percent (393,518), the Federal Democratic Movement — 0.12 percent (82,948), The Cause of Peter I — 0.21 percent (145,704), Nationalities' Union — 0.06 percent (39,592), Stable Russia — 0.12 percent (81,285), Generation X bloc — 0.06 percent (44,202), My Fatherland — 0.72 percent (496,276), For the Homeland — 0.28 percent (194,254), Common Cause — 0.68 percent (472,615), Independents' Bloc — 0.12 percent (83,742), Pamfilova - Gurov - Lysenko — 1.6 percent (1,106,808), Forward Russia! — 1.94 percent (1,343,428), Bloc 89 — 0.06 percent (40,840), Kedr — 1.39 percent (962,195), Party of Russian Unity and Accord — 0.36 percent (245,977), Stanislav Govorukhin's bloc — 0.99 percent (688,496), Association of Russian Lawyers — 0.35 percent (242,966), National Republican Party of Russia — 0.48 percent (331,700), Social Democrats — 0.13 percent (88,642), Power to the People — 1.61 percent (1,112,873), Russian Trade Unions & Industrialists-Labor Union — 1.55 percent (1,076072), Dzhuna's bloc — 0.47 percent (323,232), Beer Lovers' Party — 0.62 percent (428,727), Ivan Rybkin's bloc — 1.11 percent (769,258), Economic Freedom Party — 0.13 percent (88,416), Popular Union Party — 0.19 percent (130,728), Christian Democratic Union-Christians of Russia — 0.28 percent (191,446), Roszhilkommunsoyuz — 0.14 percent (97,274). A total of 1,918,152 voters voted against all the parties.

In single-mandate constituencies 77 independent candidates, 58 Communist Party candidates, 20 Agrarian Party candidates, 14 Yabloko candidates, 10 candidates of Our Home Is Russia, nine candidates of Russia's Democratic Choice, nine candidates of Power to the People and five candidates of the Congress of Russian Communities won seats in the new State Duma.

Women of Russia, Forward Russia! and Ivan Rybkin's bloc won three seats each. The Pamfilova-Gurov-Lysenko bloc got 2 seats, while the Independent's Bloc, My Fatherland, Workers' Self-government Party, Stanislav Govorukhin's Bloc, LDPR [Liberal Democratic Party of Russia] PRES [Party of Russian Unity and Accord], Transformation of the Fatherland, Common Cause, Bloc 89, Economic Freedom Party, Communists & Working Russia for the Soviet Union and Russian Trade Unions & Industrialists-Labor Union got one Duma seat each.

A total of 93 incumbent Duma deputies got re-elected and seven incumbent Federation Council members won seats in the new State Duma.

### Chernomyrdin Thanks Voters for Supporting NDR

*LD2912185795 Moscow Mayak Radio Network in Russian 1630 GMT 29 Dec 95*

[Speech by Viktor Chernomyrdin, Russian prime minister, head of the Russian Government and leader of the Russia Is Our Home movement on 29 December; place not given — recorded]

[FBIS Translated Text] Esteemed people of Russia, on behalf of the sociopolitical movement Russia Is Our Home [NDR] I should like to thank you for your support in the elections and for the votes you cast for us. Thanks to you, for the first time in Russia's history the transfer of legitimate power has taken place within the framework of the Constitution, within the framework of law, and in a civilized and democratic way. Thanks to you, our country Russia took another very important step forward in developing democracy and the country's political system.

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it is thanks to your achievement that the new sociopolitical movement Russia Is Our home has appeared and firmly established itself on the political map of the country — a center movement of reformers and statesmen. Nearly 7 million cast their votes for Russia Is Our Home. I sincerely thank you for the trust you have put in us. I know that those who voted for the movement are socially active people who know how to work and achieve success in the new economic conditions, people with a high sense of responsibility for Russia's future and for the future of their relatives and friends. They are sensible people who do not embrace cavalier attitudes but have a principled approach to the complex issues of our life.

I can only feel happy that there are a great number of such people in Russia. This means that all the conditions for continuing the policy of creating a viable market economy and for the democratic transformation of the country are being maintained. I am far from dividing the citizens of our glorious and proud country into "us" and "them," into "reds," "pinks," or "tricolors." We all have a single Motherland. We are all children of the one Great Russia. Therefore, I am speaking to everyone, including those who did not understand and did not accept us. Of course, the government should answer and is answering in actual fact for everything that is happening in the country. We are not avoiding responsibility and we respect our opponents — including the voters who voted against Russia Is Our Home.

On the other hand, we understand perfectly well that by criticizing the government and voting against Russia Is Our Home you demonstrated your unwillingness to put up with the problems encountered by our families, with the critical conditions at your place of work, and with the bureaucracy of your regional authorities. I hope that commonsense and experience will help you to understand the situation. This is necessary. The difficult problems that we have in common can be solved only by all of us together.

I understand that the results we achieved so far have been fairly modest. We have the right to worry about delays in the payment of pensions and wages, the crime rate, and many other things. But we now have a real chance to make some progress, modest but already noticeable, in the social and other spheres.

Undoubtedly, we have to consider our mistakes and misjudgements and correct them. But we will never allow the nightmares of empty stores and lines, the shock of soaring prices and a steeply plunging ruble to recur. We will be doing everything to make each day better than the previous one and make life in Russia more secure, more stable, and more prosperous. I am convinced that this will be so.

I see this as the most profound meaning of the choice made by our supporters. It was a choice of democracy, the choice to help Russia to advance confidently.

I take this opportunity to wish you, my dear compatriots, a happy New Year, to wish good health and happiness to your relatives and friends, to wish peace and prosperity to our common home — Russia.

**Beer Lovers' Party Head Resigns From Post**

*LD2912201295 Moscow ITAR-TASS in English 1758 GMT 29 Nov 95*

[By Tamara Ivanova]

[FBIS Transcribed Text] MOSCOW, December 29 (ITAR-TASS) — Secretary-General of the Beer Lovers' Party Konstantin Kalachev said on Friday that he resigns from his post.

In an interview with ITAR-TASS, Kalachev motivated his decision to resign by the failure of the Beer Lovers in the elections to the State Duma. He believes himself responsible as the party leader for the poor performance of his party in the elections.

Kalachev, a graduate from the Moscow Pedagogical Institute, said that the failure of his party in the advertising campaign in the mass media, unclear political position and poor TV advertisements were his own fault. Kalachev expressed his regret over the fact the Beer Lovers' Party set up in 1993 and which has branch departments in all Russia's regions had "struck a too serious note" in the elections and "therefore, we have neither won, nor fallen behind."

Kalachev noted that the drop-out from "professional politics" does not mean that he has completely withdrawn from this sphere. "It is possible that I might appear in a team of some candidate to the presidency," he said.

The leader of the Beer Lovers' Party is the only leader among other blocs and movements, which lost in the recent election campaign, who decided to resign from his post.

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## Regional Activities

### Regional Electoral Commission Fails To Report Vote

*964F0686D Nalchik SEVERNYY KAVKAZ in Russian 23 Dec 95 p 4*

[Article by T. Mamkhyagova: "Reading the Tea Leaves"]

[FBIS Translated Text] Members of the District Electoral Commission of single-seat Karachay-Cherkess Electoral District No. 15 have displayed a conservatism rare in our times. While their colleagues from neighboring republics appeared before the community and reported the preliminary results of the voting, Karachay-Cherkess Election Commission members have avoided contacts with the press. Apparently this is because the commission members were the first to realize that the election results would not signal a victory for Russia Is Our Home, as the head of the republic would like. We managed to find out, however, from sources far from the electoral commission, that the voting was valid and that 60.9 percent of the electorate turned out to vote. An impressive victory was won in the Karachay-Cherkess Republic by the Communist Party. Its representative, M. Yakush, was victorious in the single-seat district and the Communist Party won with respect to the federal-wide slate. We do not know who was second. Unconfirmed sources indicate that A. Rutskoy's Derzhava bloc and Russia Is Our Home came in second. But while voters in the Karachay-Cherkess Republic are well informed as to who won seats to the Duma in neighboring regions, they are left to read the tea leaves when it comes to their own candidates.

### Rostov Oblast Cossack Candidates Lose in Elections

*964F0686C Nalchik SEVERNYY KAVKAZ in Russian 23 Dec 95 p 4*

[Article by M. Platonov: "Cossacks Will Do Their Deliberating Outside the Duma"]

[FBIS Translated Text] Cossack leaders competed for seats in six out of seven electoral districts in Rostov Oblast. One of them withdrew his candidacy "due to illness." The others lost definitively, including "Supreme Ataman of the Union of Cossack Troops of Russia and Abroad—Viktor Ratiyev," representing the ROD (Russian Nationwide Movement [Rossiyskoye obshchenarodnoye dvizheniye]). So it looks like our atamans will not even have a single representative in the Duma.

## Commentary

### APR Admits 'Failure,' Restates Objectives

*MM2912194095 Moscow SELSKAYA ZHIZN in Russian 30 Dec 95 p 1*

["Agrarian Party of Russia Message to Peasants and All Russian Federation Citizens," signed by Agrarian Party of Russia Board on 25 December 1995: "We Will Not Turn Off This Road"]

[FBIS Translated Text] Dear Comrades! Compatriots!

The year of 1995 — an extraordinarily difficult year for the Russian countryside — is coming to an end. The government of lavish promises has failed to resolve a single one of the problems confronting agriculture — our countryside is still stifled by lack of money, price disparity, and the impossibility of selling the produce that it grows at a profit. That is, the outgoing year has not increased the joy in the peasant's heart, the prosperity in his home, or his confidence in the future.

An unfavorable political situation also developed at the end of the year for the future of the countryside. Based on the results of the 17 December elections the peasant base in the State Duma has been considerably reduced. Whereas representatives of the agrarians' electoral association won 20 seats in single-seat districts — second after the Communists — on the federal list the Agrarian Party of Russia [APR] did not manage to clear the 5-percent hurdle and is effectively out of the parliamentary process. This represents a grave blow to our countryside, for all peasant Russia.

Who is to blame for such a cruel failure? A forthright, honest answer to that question cannot be avoided.

There is no blame to be cast on our voters — people in town and country overwhelmed by grave concerns. Today we must recognize that the bulk of the blame for this outcome is borne by the APR leadership and the leaders of those organizations which joined our electoral association but did little to ensure the success of the election campaign, which took place amidst acute political rivalry.

Inertia and complacency are to blame for everything. Some people thought that the results of two years ago would be repeated just like that. Instead of getting down to common work together, some agrarian leaders long before the current election campaign began kicked up an unseemly rumpus over quotas on the electoral list. They counted their chickens before they were hatched. And that at a time when our "primary organizations" were by no means operating at full strength, when our propaganda went no further than oblast or rayon level

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and failed to get through to every labor collective and every voter.

Life has taught us a harsh lesson. But under no circumstances must we succumb to defeatism. The election failure does not mean that the APR's program, political line, lawmaking initiatives, and work were mistaken or failed to strike a chord in society. No, the APR and its faction in the former Duma, which barred the way to the misappropriation of land, is not ashamed of what it has achieved and we are handing on a sound reliable tradition to the new Agrarian group of deputies.

There are plans to discuss the parliamentary election results and the party's immediate tasks in greater depth and with greater objectivity, mindful of each region's contribution, on 12 January 1996 at an APR Central Council Plenum.

Now let us note the main point: The APR will remain in the political arena as an autonomous and equal political force. Along with its allies the APR will take an active part in the country's political life and use all its influence to resolve issues which no other party has resolved or will resolve for it.

The APR will continue to be a left-wing party in opposition to the current regime. In its actions — and we stress this once again — the APR has acted and is acting on the basis of the fundamental interests of the peasantry and will continue to firmly take that stance.

Tremendous, crucial work lies ahead. The presidential elections lie ahead, on whose outcome the country's future depends to a decisive extent. No matter what happens, the APR will remain with the peasants, with the working people. We are confident that the Russian peasantry, all the country's honest workers will provide the APR with effective support in its fight for social justice, peace, and bread in every home.

Happy New Year, Dear Friends! We wish you health, happiness, and success in all your noble undertakings!

[Signed] The APR Board
[Dated] 25 December 1995

**Moscow Mayor Calls NDR's Election Result 'Defeat'**

*LD2912211595 Moscow INTERFAX in English 1850 GMT 29 Dec 95*

[FBIS Transcribed Text] MOSCOW, Dec 29 (INTERFAX) — Moscow Mayor Yuriy Luzhkov harshly criticized the policy of the Russian government Friday and described as a defeat the fact that the Our Home is Russia (NDR) bloc won only about 10 percent of the vote at the December 17 parliamentary elections.

"I believe that 10 percent of the vote means almost the end for the party which is in power and has a powerful means of indirect propaganda," Luzhkov said in his speech at the Russian State University of Humanities in Moscow.

Luzhkov's lecture titled "The results of the elections and prospects of the socioeconomic and political development of Russia" gathered at least 500 students and professors, an INTERFAX correspondent reports.

"The Russian government and its party bear, among other things, the burden of others' mistakes of the past years," Luzhkov said. "The authors of the shock therapy at least had a plan of reforms, albeit not quite adequate to the situation."

According to Luzhkov, the policy has now changed to "chaotic reforms without any principles, concepts or economic goals."

Luzhkov said that he is mostly "concerned not with the results of the vote but with the way NDR leaders assess the results."

He pointed out that NDR got about 20 percent of its votes in Moscow and Tatarstan, that is, in the regions that pursue relatively independent socioeconomic policy.

It is interesting to compare the results of the vote and the socioeconomic situation in regions, he said. "If we do not draw the right conclusions, there may be serious trouble in June of 1996 (when presidential elections are to be held — IF Note)," said Luzhkov.

According to him, "it is quite clear that those who voted for Communists do not favor a return to the past." Only 4.5 percent of Viktor Anpilov supporters voted for such a return, he said.

"Those who cast their ballots for the Communist Party voted against the current program of reforms," against "economic failures, the 50-60 percent fall in production and the criminalization of the society," said Luzhkov.

He said that almost one half of the Russian population lives below the poverty line. "If at least 50 percent of them come to the polls, you will immediately get the 20 percent who voted for Communists," he said.

"That is why 10 percent is a defeat for the party set up by those who are responsible for these problems," said Luzhkov and called for an honest and impartial analysis of the lesson in order to change the course of reforms to the direction wanted by the Russian people.

Luzhkov named the short-sighted privatization policy, environmental policy and anti-crime policy as the three main failures of the ruling party.

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He stressed that not the Russian government but First Deputy Prime Minister Anatoliy Chubays and his foreign advisers are to blame for the "criminal privatization." If NDR had admitted its deficiencies and worked out ways of correcting them, it would have gotten 10 percent more votes, said Luzhkov.

The mayor delivered a short version of his report at the university lecture. However, the full text of the report given by Luzhkov to the INTERFAX correspondent contains a passage saying: "I hope that the advice of the Moscow government will be heeded at last. There are sensible people in the Russian government. I believe that Viktor Chernomyrdin is capable of taking and implementing adequate decisions. ...If the authorities do not resolve these problems in the nearest future, they will get another powerful blow next summer. This blow will be fatal. This must not happen."

### Gaydar's Party Sums Up Results, Gains New Members

*MK3012125695 Moscow NEZAVISIMAYA GAZETA in Russian 29 Dec 95 p 2*

[Report by Galina Kovalskaya: "'Flight Analysis' in Gaydar's Party. Some 150 People Have Already Joined 'Democratic Choice'"]

[FBIS Translated Text] On 26 December, "Russia's Democratic Choice" issued an open invitation to attend a meeting of its supporters. Although all of the preliminary organizational arrangements, as is common among democrats, were simply awful — no intelligible principle of notification could be discerned, since invitations were sent to some of their Moscow supporters known to party functionaries, but, for some reason, were not to others; and the venue was changed twice, but not all of the invited participants were notified of the changes in time — the number of supporters who attended was surprisingly high. The people (who for the most part were long past the age Gaydar regards as characteristic of his electorate) stood crowding in passageways and on the stairs. The meeting was also timed to include a "solemn admission of new party members." Gaydar delighted the audience by saying that from then on there would be no obstacles to joining "Democratic Choice" (Had there been any before?). In his words, now the party can be replenished with people who — in the event of a more favorable alignment of political forces — would have refrained from tying themselves up with party discipline, but now, in a period of hard times for liberals and liberal values, are ready to back them with their shoulders. Some 150 people joined "Democratic Choice" right at the meeting.

Among those who have reinforced the party ranks after it became known that the party had failed in the election, there is a quite remarkable figure — Eduard Vorobyev. A colonel general, even a retired one (it will be recalled that Eduard Vorobyev resigned after his refusal to head the Chechen operation, which he considered as utterly brainlessly planned), in a democratic milieu is a rather exotic phenomenon. Until now, Vorobyev has enjoyed great authority among army officers, who usually do not show particular sympathies with democrats. This had given additional reason to believe that his presence on the slate of "Russia's Democratic Choice — United Democrats" was accidental or due to considerations of momentary advantage. Now the liberals can be definitely congratulated on this valuable acquisition — they have acquired a very serious expert who feels sincerely concerned about problems of reform in the army.

In general, the assembly looked more like a feast of winners than a business meeting of losers trying to learn a lesson from their defeat. The audience was presented with a true parade of stars, who were, in addition, not politicians. The next speaker after Gaydar was Vladimir Voynovich [writer], followed by the wonderful writer and historian Yuriy Davydov, Sergey Yurskiy [actor], and Fazil Iskander [writer]. Of the politicians, in addition to Gaydar and the exceptionally laconic Vorobyev, the floor was given only to Dmitriy Katayev, a representative of "Democratic Russia," who reproved the "Democratic Choice" members for the fact that — when forming their movement and then the party — they themselves contributed greatly to the dissent in the democratic movement and added that now, in the face of the presidential election, a union was absolutely essential. He proposed that a confederation of democratic forces of Russia be set up, but failed to specify a union of what specific forces was meant.

All the speakers, cheered by applause, disclosed proudly that they had voted for "Democratic Choice" and felt no regret whatsoever about that. (This is hard to understand, however: Had "Democratic Choice's" votes gone largely to Chernomyrdin, instead of Zyuganov and Zhirinovskiy, as it is now, the alignment of forces in the Duma could have been much more favorable for the democrats.) They readily declared their love for themselves and for Gaydar. Only Sergey Yurskiy's words sounded a discordant note: He said that no grudge for a lack of understanding should be borne against the people — it should be remembered that people who have made a "wrong" choice live in Russia, but those who have made the "right" one "live there, too."

Gaydar himself devoted his speech to an enumeration of his and others' mistakes. He believes that the main

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mistake of his government was its failure to explain to the people, in a popular and intelligible way, in early 1992 or even late 1991, what shape the country was in when the democrats received it. As a result, people in Russia attribute the fall in living standards to the reforms, rather than to the downfall in the late Communist period.

Gaydar said that Yeltsin's mistake was the inconsistency and indecision he showed after October 1993, when, according to Gaydar, there emerged a chance of a major reformist breakthrough. As for the democratic forces, naturally their split was called the most serious mistake. Regarding his own party, Gaydar said that a mistake was made at the time when various positions in "Democratic Choice" were taken by people who were devoted not so much to liberal values as to the "party of power," which they believed "Democratic Choice" was. Naturally, their inevitable subsequent departure turned into an intra-party crisis.

Speaking of his personal unwillingness to run in a single-seat constituency, Gaydar did not regard it as a mistake. Moreover, he said that he would have considered it unbecoming for himself to join the company of leaders of those hastily concocted micro-parties, which had no chance of overcoming the 5-percent barrier, who used this vehicle to get themselves into the Duma. As for the position of "Democratic Choice" in the forthcoming fight for the presidency, Gaydar's stance, in general, has not changed: A single candidate from "moderate democratic forces" is needed, otherwise our compatriots will have to choose, in the second round, between Zyuganov and Zhirinovskiy. Gaydar has said nothing so far as to who could become such a candidate. In his words, the task of "Democratic Choice" is to stimulate negotiations between Chernomyrdin and Yavlinskiy and to make them identify the candidate, who, as it could be understood, will be supported by Gaydar's party.

Gaydar is not predicting another intra-party crisis in connection with the defeat. He — probably not without reason — believes that now only those people have remained in his party who are truly faithful to liberal ideas. In his speech, he warned against panicking. "Panicking is the worst way to wage a battle," Gaydar said.

**Expert Claims Results Rigged by 20 Percent**

*MK3012142695 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 29 Dec 95 pp 1-2*

[Report by Ivan Maksimov: "They Used To Be Choked by Gases — Now, by Tricks. State Duma Elections Rigged by 20 Percent"]

[FBIS Translated Text] It is Tambov Oblast where the Communists inspire the most tender love throughout Mother Russia. This was confirmed by the results of these parliamentary elections, in which the Communist Party of the Russian Federation [CPRF] garnered a record 40 percent of the vote... But at the same time it turned out that this is the most mysterious corner of our Fatherland, for it was precisely Tambov Guberniya that was swept by a mass anti-Bolshevik uprising headed by the famous Antonov in the early 1920's. Finally, by authorization of the leader of the world proletariat, artillery and mustard gas were used, exterminating the population of whole villages to the last man...

Presently, however, the thankful prodigy of the choked and maimed enthusiastically vote for the spiritual heirs of the Bolsheviks of the punitive squads, for those who dream of restoring Soviet power... A traditional Russian Vendee? "The mysterious Russian soul," which, smitten on one cheek, readily turns the other?

There is yet another, simpler explanation for this astonishing phenomenon, however. Aleksandr Sobyanin, an authoritative independent expert, told your MOSKOVSKIY KOMSOMOLETS correspondent that the results of these elections were rigged by 20 percent. The author of a number of papers on the theory and practice of rigging parliamentary elections and referenda in our country concluded that approximately 13 million votes were counted incorrectly. Sobyanin, using technology he himself has developed, bases this conclusion on the presence of distortions, which can be proven mathematically on the basis of discrepancies between the growing turnout of voters and the normal distribution of votes between various candidates for deputy.

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The political trickster acted for the most part in favor of the CPRF and Zhirinovskiy's candidates. For instance, lots of votes were added to the Zyuganovites in Tambov, Pskov, Smolensk, Lipetsk, Ulyanovsk, Bryansk, Volgograd, and Penza Oblasts, where the Communists allegedly polled up to two-thirds of the vote. Sometimes the smooth operators were literally caught red-handed. This is what happened at a polling station in the city of Perm, where 906 votes cast for "Russia's Democratic Choice" suddenly "turned" into 206 votes, while the rest were ascribed to other blocs. But on the whole, Sobyanin said, the democrats did nothing to organize systematic control over the procedure for summing up the results. In an overwhelming majority of polling stations observers from democratic organizations were absent altogether, and their opponents could do anything they pleased.

Verifying Sobyanin's conclusions will not be difficult. Suffice it to carry out a control recalculation of ballots at 1 percent of randomly picked polling stations. This is what was provided for as a mandatory procedure in the bill on public control over elections, which was several times submitted to the Duma by "Russia's Democratic Choice" and "Yabloko," but was thwarted by a reactionary majority of fraudulent deputies. Now it takes a resolution of the Central Electoral Commission or a presidential edict to recalculate the ballots. But will they want to point an accusatory finger at the "tricksters?"

**Korzhakov Calls Elections 'Greatest Reward' of Year**

*LD3012190195 Moscow ITAR-TASS in English 1831 GMT 30 Dec 95*

[By Tamara Zamyatina and Andrey Shtorkh]

[FBIS Transcribed Text] MOSCOW, December 30 (ITAR-TASS) — Kremlin security chief Aleksandr Korzhakov on Saturday said December 17 parliamentary elections were the greatest reward of the year as they demonstrated public concern about future fate of the Russian nation.

"It is pitiful that over 30 million voters did not participate in the elections," Lieutenant-General Korzhakov, heading the president's Security Service, said answering ITAR-TASS questions about positive and negative results of the outcoming year. "One will never know for sure, but it could be their votes which would make us feel now that the internal political situation is predictable," he said.

"The most negative element is — and I do take it hard — the lasting of a crisis in the Russian Caucasus," Korzhakov continued. "What surprises me most is how those who deluded the country's leadership demonstrating them 'blitzes' on staff maps, as well as those who 'pacified' bandits by populist means, can sleep well at night."

Asked about the event which produced the greatest impact of the situation in the world, the general said that it was a "beginning of a true settlement to the Bosnian conflict."

"By the way, I would appreciate if the world community was more unbiased when assessing Russia's role in this process," he remarked adding that there is an ungrounded tendency towards underestimating Russia's impact on the situation in Bosnia.

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### GDP, Production, Unemployment Figures for 1995 Reported

*MK3012142595 Moscow SEGODNYA in Russian 30 Dec 95 p 2*

[Report by Elmar Murtazayev: "Results of the Year in CIS Countries Correspond to Selected Economic Course. Total Volume of GDP of Commonwealth Countries Continued To Decline"]

[FBIS Translated Text] The CIS intergovernmental statistics committee has summed up the preliminary results of 1995. Despite a slowdown in the production decline rate in CIS-member countries, the general tendency of falling GDP continues. According to the statistics committee data, GDP in the Commonwealth countries dropped by 5.4 percent in January-November 1995 as compared to the same period in 1994 (the corresponding figure last year was 15.2 percent).

The results of the year markedly differ from one Commonwealth country to another depending on the economic course chosen. Republics that embarked on a radical reform policy earlier than the others and tough reforms of their economy are slowly pulling out of economic crisis. For example, the lowest GDP decline rate was in Russia (4 percent), whereas Armenia's GDP even registered some growth, 5.2 percent. At the same time, GDP is dropping faster in countries where they preferred gradual and mild reforms. For example, Azerbaijan's GDP declined by 17.4 percent and Ukraine's GDP by 12 percent.

A similar tendency is also typical of industrial production decline. The worst situation is in Azerbaijan, where industrial production fell 23.2 percent, and in Belarus. A small growth in industrial production growth compared with last year was only noted in Armenia (1.8 percent). Industrial production in the CIS as a whole fell on average 6.1 percent compared to January-November of last year.

We nevertheless note that virtually all CIS-member countries turned to a tough budget and finance policy in the fourth year of their separate existence. Therefore, the inflation figures are rather interesting. The lowest rate of inflation was achieved in Azerbaijan (2.5 percent), Kyrgyzstan (2.6 percent), and Armenia (2.5 percent). Prices continued to grow sufficiently slowly in Belarus (3.7 percent) and Russia (4 percent). The worst situation prevails in Tajikistan — prices grew 56.9 percent in November.

The number of non-working citizens registered at labor exchanges around CIS countries reached 3.3 million by late November, with 2.9 million of them having been officially recognized as unemployed. The level of registered unemployment (the share of registered unemployed in the economically active population) was the lowest in Uzbekistan (0.3 percent); in Ukraine, 0.5 percent; and in Azerbaijan, 1.1 percent. It was the highest in Armenia (8.0 percent), then in Russia (3.0 percent), Kyrgyzstan (2.7 percent), and Belarus (2.6 percent).

### ITAR-TASS Carries Press Review for 30 Dec

*LD3012065495 Moscow ITAR-TASS in English 30 Dec 95*

["Press Review" — ITAR-TASS headline]

[FBIS Transcribed Text] MOSCOW, December 30 (ITAR-TASS) — The results of the outgoing year were the main topic of today's leading Russian newspapers.

The Rossiyskiye Vesti newspaper features opinions of various people on the results of the outgoing year and prospects for the incoming year in its three first pages. In President Boris Yeltsin's opinion, the elections to the State Duma (Russian parliament lower house) is the main event of the outgoing year.

The Izvestiya newspaper regards as a success of the year 1995 "the Great swing in the market epoch" — a boom in housing and other types of construction, indicating that the country's economy started rebounding.

The daily stresses that the state's participation in this sphere is minimal. This topic is elucidated by a report entitled "Repairs of great city", describing renovation of Moscow buildings with money of businessmen to the joy of Muscovites who live in houses which drew the attention of companies.

The newspaper calls attention to the fact that success in improving Moscow houses develops as a result of mutual interest of tenants and businessmen.

Starting from January 1, 1996, a new law, restoring the right to intellectual property of foreign workers, including Russians, comes into force in the United States. The newspaper carries an article dealing with this event.

According to statistics, most Russian citizens preferred in 1995 to keep their savings in "a money-box". This topic is discussed in the article "What to do with roubles and dollars in the new year".

According to the Economic Analysis Institute, up to 60 percent of all savings made by Russians are in cash, mostly in dollars of course.

The Rossiyskaya Gazeta newspaper devotes its today's issue to readers, busy with holiday cares.

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The passport and visa service of the Russian Interior Ministry prepared a replica of new Russian passports: one for domestic use and the other for foreign travels.

One of innovations is that a passport owner may indicate or not, strictly at his own will, his nationality. This article is entitled "The 'fifth' item will disappear from the passport".

Rossiyskaya Gazeta features an article on the coming exchange of U.S 100-dollar bills, which will start early next year. The article is entitled "Who and how will be 'fooled' by exchange of dollars".

Apart from common domestic troubles, the new year 1996 has in store for Russians an unprecedented action of a world-wide scale: an exchange of American paper banknotes for new ones, meeting modern requirements of currency security.

The army newspaper Krasnaya Zvezda prints a congratulatory message by the Russian Defence Minister on the New Year. The same daily runs materials devoted to the results of the outgoing year.

The Komsomolskaya Pravda newspaper also carries a series of articles on the results of the outgoing year. The trade union newspaper Trud, as well as other newspapers, put out today's issue festively designed. The daily is also full of pre-New Year materials.

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**Russian Balkan Peacekeeping Brigade Put on Alert**

*LD3012073795 Moscow ITAR-TASS in English 0730 GMT 30 Dec 95*

[By Anatoliy Frankovskiy]

[FBIS Transcribed Text] IVANOVO, December 30 (ITAR-TASS) — A brigade of Russian peace keepers which will participate in a peaceful settlement of the crisis on the Balkans, has been put on alert on the eve of the New Year.

The independent air-borne brigade was mostly manned from the personnel of the 98th air-borne division deployed in the Ivanovo and Kostroma regions.

Each soldier was psychologically screened before his admission to the brigade. Then, he was familiarised with the military and political situation in Bosnia and instructed how to behave with local population as well as when to use firearms.

Colonel Aleksandr Lentsov, 39, who served in Afghanistan and Chechnya, was appointed brigade commander.

"We shall go to Northern Bosnia and Monte Negro to disengage the warring sides and to monitor how the agreement on ceasefire zones is being implemented," the colonel said. "We shall tackle this job in cooperation with two U.S. armour brigades."

To ensure mobility and independent actions, Russian peace keepers take home-made weapons and materiel as well as stocks of food, fuel and lubricants for one month.

**Russia, G-7 To Discuss Nuclear Materials Smuggling**

*LD0101141396 Moscow INTERFAX in English 1358 GMT 1 Jan 95*

[FBIS Transcribed Text] MOSCOW, Jan 1 (INTERFAX) — One of the key issues to be discussed by the seven advanced countries and Russia and their summit in April will be fight against nuclear materials smuggling, Russia's Nuclear Power Minister Viktor Mikhaylov has said in an interview with INTERFAX.

In his opinion, common procedures have to be drafted for the world community and judicial principles have to be worked out to prevent nuclear materials from stealing and smuggling. This above all calls for arranging an information exchange on the theft of uranium and plutonium and on measures to stiffen the system of nuclear materials control.

However, Mikhaylov said, it is also necessary to work out a decision on the need to curb the activity of so-called "provocative sellers" and "provocative buyers." The minister had in mind an incident in 1994 when, German special services staged the smuggling of several grams of plutonium from Moscow to Munich. In the past years, Mikhailov recalled, Russian special services have conducted operations to study possible ways of the illegal sale of nuclear materials.

Apart from nuclear smuggling problems, as the minister reported, the summit will also discuss preparation for signing international conventions on nuclear safety, on the utilization of radioactive wastes, and on stopping the discharge of liquid radioactive wastes into seas and oceans. "On the whole, we now find agreement with G-7 representatives on these questions, and there has been no differences of principle so far," Mikhaylov said.

**Gen. Kharchenko on Failure To Scrap Military Hardware**

*LD0101175696 Moscow INTERFAX in English 1630 GMT 1 Jan 96*

[FBIS Transcribed Text] MOSCOW, Jan 1 (INTERFAX) — Russia has failed to comply with the USSR government's pledge made on June 14 1991 to unilaterally scrap its military hardware moved from the European areas to sites east of the Ural mountains, the chief of the international military cooperation department of the Russian General Staff, Colonel-General Dmitriy Kharchenko has said.

Moscow wants the deadline, originally set at December 31 1995 extended till the end of 1998.

Kharchenko said in particular that the delay was due to purely economic reasons. Scrapping the military equipment moved east of the Urals would cost 100 billion rubles in current prices, he said.

General Kharchenko said that Russia was expected to eliminate 6,000 tanks, 1,500 armored personnel carriers (APCs) and 7,000 artillery pieces. Of that amount 1,264 tanks, 685 APCs and 3,453 artillery pieces had been scrapped by December 31 1995. "East of the Urals there are no facilities to scrap military equipment and it has to be moved to other regions," General Kharchenko said.

He remarked that the destruction of military equipment would by no means affect Russia's defenses. Most of the tanks to be destroyed are outdated models, T-54 and T-55, he said.

The General Staff official recalled that the military equipment had been withdrawn not only to areas east of the Urals, but to bases of the Central Asian military district in Uzbekistan, Kazakhstan and Turkmenistan. "Financial constraints have not let those countries honor

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the pledges made by the Soviet government, either," he said.

Kharchenko said that Russia, Uzbekistan, Kazakhstan and Turkmenistan were to do away with more than 10,000 tanks.

"Arms elimination is a costly procedure. Before a tank can be melted, the turret must be removed and equipment dismantled. The gun must be separated from the turret and cut. For a whole month these components must be kept near the hull to let Western countries monitor this process from space satellites," Kharchenko said.

He said that Western experts suggested filling the tanks with concrete through the hatches. "This does not suit us, because no materials then can be recycled," Kharchenko said.

**Financial Problems Hit Disarmament Commitments**

*LD3112002095 Moscow ITAR-TASS World Service in Russian 2221 GMT 30 Dec 95*

[By ITAR-TASS correspondent Mikhail Shevtsov]

[FBIS Translated Text] Moscow, 31 Dec (ITAR-TASS) — For financial reasons, Russia has failed to honor in full the unilateral commitments it made outside the framework of the Treaty of Conventional Armed Forces in Europe to destroy 6,331 tanks and 1,988 armored vehicles beyond the Urals by 31 December 1995. ITAR-TASS has been informed at the national center for reducing nuclear danger that these commitments were made additionally, outside the framework of the CFE Treaty, by the former USSR president Mikhail Gorbachev in Vienna in July 1991. Russia has carried out some of its promises, mainly political ones. About 2,000 tanks and over 1,000 armored vehicles have been destroyed beyond the Urals.

Russia's Defense Ministry believes that it is not in the interests of the Russian Defense Ministry to scrap this part of armored vehicles beyond the Urals since conditions after the breakdown of the Soviet Union have changed. First, money from the budget for this purspose is limited. Second, restrictions in financing the defence order do not make it possible to replenish the ministry's stock with new armoured equipment, which forces the military to have some sort of reserve, even if this reserve consists of the relatively obsolete equipment.

**Davydov Ends Iran Visit; Nuclear Cooperation Reported**

*NC3012100495 Moscow Voice of Russia World Service in Persian 1600 GMT 29 Dec 95*

[Aleksandr Koshnir commentary]

[FBIS Translated Text] Dear listeners. Oleg Davydov, the deputy prime minister and minister for Russian foreign economic relations held talks in Tehran Iran and Russia are satisfied with the dynamic progress of bilateral relations.

This was stated in a joint communique issued on Thursday [28 December] at the conclusion of the official three-day visit by Oleg Davydov to Iran. The two sides expressed their mutual desire to resolve existing issues on the basis of good neighborliness and understanding; and stated that they wish to instill longterm, reciprocally beneficial collaboration, based on equal rights, in bilateral cooperation that should not be influenced by other countries.

This appears to be a clear allusion to U.S. efforts to create impediments in the implementation of agreements between Russia and Iran with regard to cooperation in the field of nuclear energy production. According to these agreements, Russia will provide nuclear reactors and fuel for the nuclear power station in Bushehr port, situated on the shores of the Persian Gulf.

The United States, which is a pioneer in nuclear technology in the international market, has exerted intense pressure on Russia and called on it to abandon its nuclear accord with Iran.

Washington claims that it is possible that providing a nuclear reactor to Iran would assist the country to manufacture an atomic bomb and alleges that Iran is making efforts toward this end. It would be just to state that first of all Iran is a signatory of the Nuclear Nonproliferation Treaty [NPT] and has no intention of withdrawing from it. Second, the International Atomic Energy Association [IAEA] is not opposed to Russia's cooperation with Iran in the peaceful utilization of nuclear energy.

Summing up the outcome of his visit to Iran, Oleg Davydov, the Russian deputy prime minister stated: Russia considers Iran a strategic party, a friend, and a neighbor and the outlook in the field of bilateral economic and technical cooperation, including the implementation of joint projects, is excellent.

Oleg Davydov and the Iranian Foreign Minister, Dr. Velayati, discussed regional issues and stressed that the Caspian Sea concerns only the five littoral countries and no other country has the right to interfere in the

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Caspian region. Similarly, until the new legal regime of the Caspian Sea is announced, the countries cannot individually utilize its biological and mineral reserves.

In the course of his talks with Morteza Mohammad Khan, the Iranian economic affairs and finance minister, Oleg Davydov expressed his satisfaction with the agreement to establish a joint economic commission that will provide an opportunity for opening a new chapter in the economic and technical cooperation between the two countries.

It may be emphasized that (?shortly) an agreement will be compiled on longterm cooperation between Russia and Iran that will be signed by the presidents of the two countries.

### Iran Ready To Buy Russian Equipment

*LD2912194995 Moscow INTERFAX in English 1850 GMT 29 Dec 95*

[FBIS Transcribed Text] MOSCOW, Dec 29 (INTERFAX) — Iran has said it is ready to buy from Russia up to $1 billion worth of machinery and equipment, Russian Deputy Prime Minister and Minister for Foreign Economic Relations Oleg Davydov told INTERFAX Friday.

Davydov commented on the outcome of talks with the Iranian leadership during his official visit to Iran on December 26-29, 1995.

"Iran has expressed interest in broad cooperation with Russia in the energy sphere, including nuclear energy, for the construction of hydro-technic and metallurgical facilities and upgrading of earlier built enterprises," he said.

Iran also said it considered Russia as Iran's most reliable and significant partner, even more reliable a partner than the United States, Davydov said.

Davydov sees the Iranian market as one of the most attractive markets for Russia to increase its supply of machinery and equipment. Machinery and equipment already account for 85 percent of Russian exports to Iran, he said.

Unresolved problems regarding mutual payments has until recently been a factor inhibiting the development of trade and economic cooperation between Russia and Iran, Davydov said.

"This problem has been resolved," Davydov said. Russia and Iran signed a protocol on settling mutual financial obligations between Moscow and Tehran at the talks in Iran, he said.

Under the protocol, Iran assumes repayment of its debt to Russia with oil supply worth $230 million and in cash at $150 million, Davydov said.

Russia mainly exports to Iran "special equipment" and spare parts and equipment for energy facilities, said the Ministry for Foreign Economic Relations. In particular, Russian exports of military equipment and armaments totalled $104 million and equipment and services $333 million in 1994.

Experts at the Ministry for Foreign Economic Relations say Russian exports to Iran may increase to $4 billion to $4.5 billion in the next ten years if the situation is favorable.

### Russian-Taleban Movement Talks 'Wrecked'

*LD3012204695 Moscow ITAR-TASS in English 2032 GMT 30 Dec 95*

[By Vyacheslav Anchikov]

[FBIS Transcribed Text] ABU DHABI, December 30 (ITAR-TASS) — The talks between the Russian Foreign Ministry's delegation and the leadership of the opposition Taleban movement due to be held on Sunday are wrecked.

The two sides are expected to hold talks on the release of seven Russian airmen held by the Taleban Islamic opposition militia. The air crew remains in captivity in Kandahar since August 3, when the Taleban intercepted the Il-76 plane which was on a flight chartered by the Afghan government.

Director of the Foreign Ministry Asia department Yuriy Kotov, who leads the delegation, told ITAR-TASS that the Talebs cannot receive the Russian delegation referring to security reasons.

The Russian diplomats will return to Moscow on Sunday from where they try to continue the talks with the Talebs.

### Deputy Minister Panov on Fishing Dispute With Japan

*OW3012075395 Tokyo KYODO in English 0641 GMT 30 Dec 95*

[FBIS Transcribed Text] Moscow, Dec. 30 KYODO — Russian Deputy Foreign Minister Aleksandr Panov says Moscow will seek to settle a bilateral dispute over fishing rights in an effort to improve ties with Tokyo ahead of a Russo-Japanese summit expected next year.

Panov, a top Asian affairs diplomat who once worked at Moscow's embassy in Tokyo, made the comment in an

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interview Friday [29 December] with KYODO NEWS SERVICE.

Japanese Prime Minister Tomiichi Murayama is scheduled to visit Moscow in April for an international summit on nuclear safety and during the stay is expected to meet with Russian President Boris Yeltsin.

Panov said Russia aims to reach agreement with Japan before the summit to ensure safe operations of Japanese fishing boats in waters around disputed islands.

The dispute involves claims by Tokyo and Moscow to four islands lying north of Japan's northernmost main island of Hokkaido that were seized at the end of World War II by the then Soviet union.

Panov also said the first postwar visit to Moscow by Japan's top defense administrator is likely to materialize within next year.

The Russian government attaches great importance to Murayama's trip to Moscow, but it ruled out the possibility that his visit will immediately help improve bilateral relations.

"The two sides should not consider the visit will dramatically change the relationship between the two nations," he said.

The territorial dispute has long been an obstacle to the restoration of full-fledged relations between the two nations.

Panov reiterated the Russian stand that the territorial dispute should be settled on the basis of the 1993 Tokyo declaration issued on the occasion of Yeltsin's visit to Tokyo.

There is a consensus in Russian society and parliament that the dispute should be resolved by developing bilateral relations, he said.

The Tokyo declaration acknowledged that the territorial dispute exists between Tokyo and Moscow, a turnaround from the Russian claim in the past that no territorial problems exist between the two nations.

Panov said Russia has already completed preparations for a meeting between Defense Minister Pavel Grachev and Japanese Defense Agency Director General Seishiro Eto next year.

Realization of Eto's visit to Moscow depends on progress of preparations on the part of Japan, he said.

With regard to security in Northeast Asia, Russia seeks peace and stability in the region and "there is no confrontation at all between the Russian and Japanese positions" on the matter, he said.

Panov said it is possible for the two nations to enhance military relations through regular interchanges of uniformed officers.

He said preparatory work for Yeltsin's visit to China has almost been completed, and Beijing wants the trip to take place in March.

Military cooperation between Russia and China has been developing but it will not pose a threat to other nations or regions, he added.

On Moscow's relations with North Korea, Panov said a draft for a new treaty of friendship and mutual cooperation has been delivered to Pyongyang, and negotiations on the matter will start following North Korea's response.

The proposed treaty will replace the military alliance that existed between the two countries, he said.

### Military-Technical Accord Signed With RSA

*96UM0111A Moscow KRASNAYA ZVEZDA in Russian 29 Nov 95 p 3*

ITAR-TASS report: "First Step in Military-Technical Cooperation"]

[FBIS Translated Text] As a result of the Russian-South African [RSA] negotiations that were concluded in Pretoria, a package of bilateral documents was signed that includes an agreement on military-technical cooperation, agreement on avoidance of dual taxation, and protocol on consular matters.

First Deputy Chairman of the Russian Government Oleg Soskovets and South African First Executive Deputy President T. Mbeki also initialed a declaration on principles for friendly relations and partnership between the two countries.

Oleg Soskovets stated that the negotiations had proceeded in an atmosphere of full mutual understanding. Special interest was manifest in the development of advanced technologies and in the production of export varieties of commodities. In addition to the understandings already reached, according to the first deputy chairman, 14 other draft agreements are being scrutinized as well, including agreements in the sphere of housing construction, public health, transportation, and energy. "These are all vitally important issues that will facilitate the establishment of closer relations between the two countries," he emphasized.

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T. Mbeki, in turn, noted that the agreements concluded comprise just a portion of the cooperation that is developing in areas of mutual interest to both the Republic of South Africa and Russia. "We were especially pleasantly surprised at the Russian delegation's offer to train a South African astronaut for a joint-flight mission to the Mir orbital station. This will enable the Republic of South Africa to become the first country on the continent to send one of its citizens into space," he pointed out. T. Mbeki also stated that he would head, jointly with O. Soskovets, a combined intergovernmental committee on trade and economic cooperation.

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## Political Issues

### Yeltsin Makes New Year Address

*LD0201010796 Moscow Russian Television and Dubl Networks in Russian 1255 GMT 31 December 95*

[New Year address by Russian President Boris Yeltsin on 29 December in Moscow — recorded; no video available]

[FBIS Translated Text] Good evening, dear fellow countrymen! New Year trees are illuminated throughout Russia. The New Year rush is already behind us. The New Year night is approaching.

In a few minutes we will cross the invisible line and find ourselves in a new year, 1996.

At such moments conversations are abating, eyes are brightening, and hearts are warming up. It is as if goodness and calmness are entering our homes, and we feel happy.

This is a real holiday. We all love it and wait for it, and it is coming to Russia again!

Many people are spending this evening in the circle of their relatives and friends. However, not all those with whom we would like to be together are with us now. Let us hope to see soon those who on this New Year night are away from us, at sea or on shore.

Let us congratulate those who are spending this night performing their service or at their workplaces. With all my heart I wish you, every family in Russia, well-being, prosperity, and accord!

It is very important for a person to feel the warmth of the family home and to know that someone is concerned about you, waiting for you, and sharing their sadness and happiness with you! Let us be happy for those who are truly loved and happy.

Today I address my words of heartfelt condolences to those who lost their dear ones last year. I wish you strength of spirit.

Let us be more patient and kinder to each other in the new year!

Our little children and grandchildren are usually sleeping tight at this late time. Many of them are already dreaming their New Year dreams. Let their peace not be disturbed.

Our compatriots living abroad are also celebrating the New Year tonight. I have no doubt that they are celebrating it with thoughts about Russia. We have not forgotten them. Our spiritual unity is indissoluble.

Russia is our main hope! It has got back its name, and, despite gloomy prophecies, it lives and will prosper. Yes, life is hard, but a breakthrough for the better is already in sight.

Last year the drop in production was virtually stopped and there has been some success in the fight against inflation.

Your efforts, your good sense, and your restraint, dear compatriots, have created conditions for raising living standards next year.

The main task of 1996 is to ensure that those who are still poor in Russia live better.

The government shall start paying off its wage and pension arrears in early January. Those who are not able to put these matters in order must resign, and not wait for the president to tell them to do so.

In 1996 the return of the savings to the population, which were deprived of value in the course of the reforms, will be started. This will apply above all to people of the older generation. It is to them that we are most indebted.

A key area for combating poverty is severe sanctions against those in the financial structures who are fiddling money allocated for social and other needs.

This is elementary theft. Quite a few administrators at various levels and directors of enterprises and banks are involved in it at present. I must say outright that there will be no peace in the New Year for all these people who are on the make, and let them not expect any.

Dear friends: There are many countries in the world but Russia is a single country. There are 150 million of us, its inhabitants. Russian land is cherished by every one of us. This is our motherland, where the graves of our ancestors lie, and this is where our children and our descendants will live.

Let us remember that we are the citizens of a great and free country. Let us take care of it. Together we are a force capable of overcoming all adversities and achieving success.

May the lights of the New Year trees strengthen our hopes for the best!

Health and happiness to all of us and to our nearest and dearest, our children, and our parents!

Happy holiday, friends!

Happy holiday, Russia!

Happy New Year!

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**Yeltsin Switches Focus to East; Plans Visit to PRC Mar-Apr**

*LD2912205995 Moscow NTV in Russian 1900 GMT 29 Dec 95*

[From the "Segodnya" newscast]

[FBIS Translated Excerpt] President Yeltsin left his residence at Barvikha today and went back to work. During a walk around the Kremlin grounds, Yeltsin talked to Muscovites for quite a time. [passage omitted]

[Correspondent Andrey Cherkassov] [video shows Yeltsin on walkabout in Kremlin] Because of his illness, two international visits had been postponed, to China and Norway. These will take place without fail. In March-April the president plans to travel to Beijing and Shanghai. About 20 agreements will be signed in the PRC. He needs to get stronger before the trip.

[begin Yeltsin recording] We have been dealing with the West all the time, now we will deal with the East, so as to balance West and East, so to speak, so that there is no speculation, so that Russia should not be accused of reaching out to the West all the time, only to the West. No, we want to live with everyone, we want to trade with everyone — on a mutually advantageous footing. [end recording] [passage omitted]

**Yeltsin Removes 'Defeated' Regional Administrators**

*LD3012105895 Moscow ITAR-TASS World Service in Russian 1030 GMT 30 Dec 95*

[FBIS Translated Excerpt] Moscow, 30 Dec [ITAR-TASS] — Today, Russian President Boris Yeltsin relieved from duty by decree the administrative heads of the Tver, Novosibirsk, and Tambov Regions who were defeated in the elections to the regional organs of power this December. This was reported by the president's press service. [passage omitted]

**Yeltsin Signs Federal Laws**

*LD2912190095 Moscow ITAR-TASS World Service in Russian 1252 GMT 29 Dec 95*

[FBIS Translated Text] Moscow, 29 Dec (ITAR-TASS) — Russian President Boris Yeltsin today signed the federal laws: "On the Budget of the Russian Federation Pension Fund for 1995," "On a Simplified Procedure of Taxation, Accounting, and Reporting for Small Businesses," and "The Family Code of the Russian Federation," which were all adopted by the State Duma on 8 December 1995.

This was reported by the head of the Russian state's press office.

**Yeltsin Returns Federation Council Municipal Service Bill**

*LD2912213595 Moscow ITAR-TASS World Service in Russian 1210 GMT 29 Dec 95*

[FBIS Translated Text] MOSCOW, 29 Dec (ITAR-TASS) — Russian President Boris Yeltsin has returned the federal law: "On the principles of municipal service in the Russian Federation [RF]" to the Federation Council on the grounds that the law was submitted to him in a manner that contravenes Article 106 of the RF Constitution.

An accompanying note from the president says that "although this federal law has not been examined by the Federation Council, it is regarded as having been approved by the Federation Council under Part 4 of Article 105 of the RF Constitution." The president points out, however, that since this federal law touches on matters that involve the federal budget, it is subject to mandatory examination by the Federation Council in accordance with Article 106 of the RF Constitution.

ITAR-TASS was informed of this today by the press service of the Russian president.

**Gorbachev Interviewed on 1996 Presidential Election**

*LD2912213895*

[FBIS Editorial Report] Moscow NTV in Russian at 1635 GMT on 29 December on the program, "Hero of the Day", carries a live interview with former Soviet President Mikhail Gorbachev by Yevgeniy Kiselev in Moscow. The program lasts 25 Minutes.

Gorbachev says he has not yet taken any final decision on running in the 1996 presidential elections; after his extensive tour of the country, however, he says he feels "people have need of my analysis, my experience, my assessments."

Gorbachev thinks it highly important that the parliamentary elections have been held and pronounced valid. "It is very important that the elections did indeed take place. I give the current authorities and the president their due. It is to their credit that the elections took place and were valid. If they follow this position to the end, and do not fob us off with the idea of annulling the elections on some pretext or other," it will be highly significant "that the current authorities gave the citizens of the Russian Federations, citizens, the voters the opportunities to decide the most vital issue and make their choice."

The second important element, Gorbachev says, was that the turnout was very high, disproving predictions of voter apathy. Gorbachev forecasts that the turnout

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in presidential elections will be even higher, up to 80 percent — a factor he would bear in mind.

Asked where he would seek support if he decides to run in the presidential election, Gorbachev says the Communist Party has clearly reached its limits and exhausted its potential in the Duma election. He doubts that the Communist Party could indeed implement the social-democratic elements of its manifesto and join other democratic and patriotic forces.

Gorbachev says he would seek his support in the forces of united democracy, from the left to the center-right, where the focus should be on uniting society. "I would not want to be an independent candidate. I would not want to be wandering around in isolation," Gorbachev said, adding that he hoped the leaders of the blocs which did not get into the Duma would learn the lesson of unity.

Kiselev points out that Gorbachev stated in interviews to IZVESTIYA and NEZAVISIMAYA GAZETA that he would focus on the centrist forces, yet both YABLOKO and Russia Is Our Home occupy this ground already:

"[Gorbachev] I think YABLOKO, together with a number of other parties, could be the leaven around which such a bloc could start to form.

"[Kiselev] But do you really think that Grigoriy Alekseyevich Yavlinskiy would renounce the idea of putting himself forward for president?

"[Gorbachev] He might be nominated by the bloc!

"[Kiselev] So when you say you would take part in the presidential elections you are not saying that it has to be you who runs?

"[Gorbachev] Exactly, that's the point. If such a bloc is set up, and structures are created, and this bloc forms a team, and it discusses possible candidacies for the post of president, this bloc could be capable of putting forward the strongest team. It could unite the strongest intellectual forces. And here, I see there could be a big breakthrough. If within such a bloc the word is that one should stake on Yavlinskiy, or on somebody else — or on Gorbachev — then one would have to come to agreement on this. This would be a democratic process.

"[Kiselev] So you are prepared to take on the role of organizer, if need be...[pauses]

"[Gorbachev] Not chairman but cochairman, not leader or fuehrer but cochairmen, a cohort of people, a team of people capable, generally, of reorganizing themselves rapidly."

Gorbachev goes on to say that he has aired this idea publicly, and has had some response, but refuses to give any details.

Asked about his description of the current epoch as the post-Yeltsin period, Gorbachev replies that he believes Yeltsin has exhausted his political potential, and that recent events were merely the process of the regime living out its days. Deferring the presidential elections would be a grave mistake, he says, avoiding any direct answer to Kiselev's questions about the possibility of violent upheavals and dictatorship in Russia.

When asked about potential rivals in the presidential race, Gorbachev does not name any specifically and states that the next president should be a man "who could assume responsibility for dragging Russia out of its serious state of crisis. I have a very clear idea of the entire situation in Russia, which is why I believe the president should be an experienced and mature man, a reliable and decent man." The president should not necessarily make all the decisions but have the experience and ability to unite people.

Gorbachev says he has not found it difficult to abandon power. "The most painful thing for me was that I was unable to keep control of the process of reforming the Soviet Union, it broke out of control under the blows of the putsch and the Belaya Vezha [Belovezhskiy] agreement."

Gorbachev concludes the interview by conveying New Year greetings to all citizens of the Russian Federation. He and his family will celebrate in the traditional way, first with a ballet at the Bolshoy Theater, and then at home.

### Voters Rate Presidential Candidates

*964F0686B Nalchik SEVERNYY KAVKAZ in Russian 23 Dec 95 p 4*

[Article by Yu.N.: "Presidency Not Predicted for the President"]

[FBIS Translated Text] Stavropol—"Which well-known political figure would you like to see become Russian president in 1996?" This is the question that was posed to Stavropol residents by sociologists from the Stavropol Center for Humanitarian Studies. Responses were obtained from 500 city residents representing very diverse segments of the populace. The results might be considered astounding—current Russian President Boris Yeltsin did not even place in the "top ten" of contenders. These positions were occupied by the following, in order of votes amassed: Zyuganov, Chernomyrdin, Yavlinskiy, Lebed, S. Fedorov, Zhirinovskiy, Rutskoy, Gaydar, B. Fedorov, and Nemtsov.

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**Chernomyrdin Addresses Government, NDR Tasks**

*MM2912192995 Moscow RABOCHAYA TRIBUNA in Russian 29 Dec 95 pp 1-2*

["Abridged version" of address by Premier Viktor Chernomyrdin, chairman of the "Russia Is Our Home" movement council, to "Russia Is Our Home" faction State Duma deputies; place and date not given: "'Russia Is Our Home' — First-Hand Information. We Must Be Ready for Any Forms of Cooperation Bringing Visible Results" — first paragraph is RABOCHAYA TRIBUNA introduction]

[FBIS Translated Text] Premier Viktor Chernomyrdin, chairman of the "Russia Is Our Home" [NDR] movements council, met with State Duma deputies from the NDR. Questions of the NDR faction's formation and its tactics in the period leading up to the first session of the new State Duma were discussed at the meeting attended by 70 deputies. We publish an abridged version of Viktor Chernomyrdin's speech.

I would first of all like to express my viewpoint on important political questions following on from an assessment of the election results and of their effect on the continuation of the policy of economic and political change in Russia.

From my point of view the most fundamental, the most important thing is that there was no hopelessness or despondency as well as no great surprises regarding the election results. The elections took place. The Constitution worked. For perhaps the first time in Russian history a transfer of legislative power occurred in accordance with the law, in a civilized and democratic manner. A new sociopolitical movement, "Russia Is Our Home," has appeared on the political map of the country and has established itself pretty solidly as the movement of centrists, reformers, and statesmen.

The new Duma will be more predictable. It is clear that four or five major factions will take shape in it, expressing the main sociopolitical and socioeconomic interests that are represented within society. This is already an appreciable step forward in the development of democracy and of the Russian political system.

The elections have also had an effect on the formation of a multi-party system in the country. Society, the voters only placed clear trust in the country's main, leading parties and prevented small political groupings and patently fanciful electoral associations from participating in the Duma. This means that the process of society's political restructuring has moved a further step forward.

In my view, the elections as a whole demonstrated fairly clearly the solid potential for stability that Russia already possesses. This means that all the conditions are maintained for a continuation of the policy to create a proper market economy and to democratically transform the country.

Objectively speaking the economic situation is such that we can set ourselves new tasks right now. The time has already come! The year of 1996 can and must be the first year of incipient economic growth.

For this we are obligated to bring price increases down to 1.5-3 percent per month. Then credit will become cheaper and investments will take off. At present they are already stirring a little.

The state will not, of course, stand to one side. For example, the government intends to make a procedure for indexing not just capital assets but also working capital part of economic practice as early as during the winter months.

I do not promise any miracles, of course. Indexation must not outstrip the rate of price increases. Otherwise the inflationary spiral will only get worse. But this already provides realistic support for Russian industry. And we can afford it.

Generally speaking, we must now develop instruments of state regulation in the direction of targeted industrial policy and active pressure for the restructuring of the economy.

This is but one example of the new emphasis in economic policy that is dictated by the fact that, objectively speaking, we are entering a new phase of economic development.

Even now the economy is enabling us to begin to resolve the most acute and urgent social problems. Since the fall of this year we have genuinely taken a number of major steps in this direction. But this is still clearly not enough. More money, more space and freedom for maneuver is needed.

Why do we now need to bank on everything which brings economic growth closer? Because this is the only healthy basis for a breakthrough in social questions. If there is growth in 1996, this means that a stabilization of people's living standards will begin; if incomes in real terms strengthen, this means that we will receive more money for social programs. We do not intend to put all this off: Starting at the beginning of the new year, we plan to complete all the necessary technical work to set about compensating Russians over 65 years of age and war veterans for their lost savings. We are also preparing a series of decisions in support of housing construction.

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So we have much work to do. The government is prepared for it and will carry it out. Some things will, of course, have to be reorganized on the basis of contingencies. But this is how things should be. This is an entirely natural process. And it is in the order of things.

I would also like to say a few words about the election campaign conducted by "Our Home." I completely reject the attempts to denigrate everything that was done as well as any talk of a "defeat." But there were mistakes. All this has to be taken into consideration for the future.

The political point of the NDR faction's activities in the Duma is to support the course being steered by the president and government and to see that draft laws aimed at reform are passed. Our faction is a community of equals who have made a conscious choice and have voluntarily taken upon themselves the great responsibility of helping Russia progress along the path of democracy and reform. I hope that just such comradely solidarity will be a feature of our future faction.

It is built around deputies who became members of the Duma under the NDR banner. There are around 55 such people, including those from the party list and single-seat districts.

We are, of course, open to all who share our mission and principles. We are already holding talks and consultations with them and will continue to do so. At present no less than 20 "independents" are already prepared to join the future faction.

The faction's formation is a living process, which it would be inexpedient to straitjacket within the strict limits of a "planned membership number" and so on. It is our constant task, our constant work to increase our ranks. Here we will proceed from the situation in the Duma, respecting each deputy's interests, views, and position.

To the NDR, its alliance with other factions and groups is a question of both strategy and tactics. From a "genetic" point of view, those closest to us are the "Yabloko" faction and a sizable section of the independent deputies, who will clearly succeed in forming their own group. They are our strategic allies and partners. I will not simplify matters — the path here to effective coordination of actions is troublesome. But we must take it. This is essential to continue the reforms.

We must be ready for any form of cooperation bringing visible results. Whether we are talking about a reliable and enduring law or voting together on important questions of sociopolitical life.

As far as tactics are concerned, we must not be blinkered dogmatists and tie our hands at the outset. There are wise, competent, and responsible people in all the factions. Well now, we will cooperate with them on specific issues.

There is, for example, nothing disloyal in maintaining a working dialogue with the "social democratic" section of the communist faction. If we want stability, order, and harmony in society, they should first of all exist within the State Duma. It is not our purpose to rock the parliamentary boat.

Of course someone will now propose an "internal reform of the Duma," that is a review of the number of its committees and their membership. Proposals about this already exist, and it is expedient to discuss them. I would, however, like to avoid "reforms for the sake of reforms."

We have one other extremely important task: We must from the very outset work in a professional manner. Among the NDR faction members there are deputies who already have experience of working in the Duma, but there also novices.

I am convinced that the movement's role must not be limited to parliamentary elections. The principle behind our work and the cooperation of NDR movement with its faction is constant dialogue and mutual support. We will do everything to maintain and develop the movement's structures, first and foremost in the provinces, the regions. But we also expect the committed and active involvement of deputies in the affairs of the movement and its executive committee.

One other important question is that of cooperation between the faction and the government. I do not wish to insist on their being "twin brothers." What is more, this would be damaging to the cause. But there should be full understanding here on key, fundamental questions of strategy and tactics. The specific forms of cooperation have still, of course, to be worked out, but we will act as a united front.

We are sure of our strength and we do not intend to give in or withdraw. We will work together with the president and the Duma. There is no other way!

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**Government Approves Exports Development Program**

*LD2912201995 Moscow ECONOMIC NEWS AGENCY in Russian 1500 GMT 29 Dec 95*

[FBIS Translated Text] The Russian government has approved a federal exports development program. The program for the development of foreign trade aims at the stage-by-stage development and implementation of a new, more efficient model for Russia's involvement in the international division of labor. The plan is divided into three stages. In the first stage (1996-97) it is proposed to give support to exporters by using federal budget funds. In the second stage (1998-2000) it is planned to maintain high levels of exports by making the optimum use of natural competitive advantages and the situations in foreign markets and by gradually broadening the range of exports. In the third stage (2001-2005) the program's authors plan that there should be a diversification of Russia's exports and a long-term competitive model developed for the country's involvement in the international division of labor, including on the basis of the extensive emergence into foreign markets of the country's suppliers of finished products, particularly hi-tech ones.

**Reasons Sought for Yeltsin's Rebuke of Economy Ministry**

*MK3012150595 Moscow SEGODNYA in Russian 29 Dec 95 p 1*

[Report by Mikhail Leontyev under the "Complaint" rubric: "The Specter of Ilyushenko Threatens Yasin. Consequences of Combine Plant Director's Getting In To See Yeltsin Could Create Problems for Economy Ministry"]

[FBIS Translated Text] Sergey Medvedev, presidential press secretary, has made public the text of a presidential directive ordering that "proposals on reinforcing the Economy Ministry of the Russian Federation and dismissing from office the saboteurs existing there" be made within two weeks. It was promised also to take the Finance Ministry to task. The pretext for this "taking to task" was the ill-intentioned failure to include the Krasnoyarsk Combine Plant among investment programs at the ministerial and federal levels despite earlier agreements.

The abruptness, style, and tone of the directive, and also the scale of the pretext that elicited the anger of the head of state, point to the fact that it is a matter of interested persons gaining exclusive access to the president with a very specific, petty personal complaint.

Circumstances relating specifically to the Krasnoyarsk Combine Plant confirm that this is precisely how things stand.

Mr. Loginov, director of the aforementioned plant, is known to be in the president's particularly good graces, a status that had long enabled him to besiege high government offices requesting budget funds to finance some project or other. Fortunately, this turned out to be not quite sufficient actually to obtain money.

Slightly more than a year ago, Mr. Loginov was engaged in a lobbying effort in government corridors together with Mr. Yanchev, a well-known entrepreneur and head of the "Balkar-Trading" firm (the first word is translated as "Balashikha Automobile"). This resulted in a government resolution of 23 January of this year giving the go-ahead to the much-invoked deal between "Balkar" and the U.S. "Mobil" company, under which "Balkar" was given the right to sell 25 million tonnes of Russian oil worth $3.5 billion. "The transaction of the century" also envisioned a by-loan to Mr. Loginov's plant worth $150 million, which looked more than trifling compared to the scale of the transaction.

But specialists expressed completely natural doubts as to the transaction itself and, specifically, the way the "by-loan" was going to be used. All these doubts turned out to be completely justified. It should be recalled that it was Mr. Ilyushenko, former acting general prosecutor, who provided a cover for both the transaction and "Balashikha Automobile Trading" as a whole, while the company's superaggressive activity on the oil market, supported by superprivileges granted by an invisible but mighty hand, prompted wide-ranging resistance to the speculative venture.

As a result, "Mobil" did not get the oil; Mr. Loginov did not get the loan he expected; Mr. Yanchev was put behind bars on criminal charges; and Mr. Ilyushenko was ignominiously dismissed for reasons relating to this story.

It is easy to guess that following this Mr. Loginov has kept a low profile for some time. In the post-electoral personnel confusion that has put the government in a fix, the "plant workers" appear to have sensed an opportunity to achieve satisfaction. Possibly, they were right.

Both at the Economy Ministry and the Finance Ministry there is a certain procedure for allocating meager funds to finance specific investment projects. The procedures Mr. Loginov is using in his dealings with the president are not provided for in the current legislation.

In light of the above, I would like to make the following point. Messieurs! Presidential elections are just around

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the corner. The reds are coming! Isn't it high time to end "family" games and public hysterics?

**Finance Minister Responds to Yeltsin's Criticism**

*LD3012211595 Moscow Russian Television Network in Russian 2000 GMT 30 Dec 95*

[Report over video by Sergey Milyanchikov; from the "Vesti" newscast]

[FBIS Translated Text] [Milyanchikov] Yesterday Boris Yeltsin expressed dissatisfaction with the work of the employees of the Economics and Finance Ministries. Even the word "saboteurs" was mentioned. Today we tried to find out who is sabotaging the government's decisions and how they are doing it.

Many employees at the Finance Ministry were found at their work places on their day off. According to [Finance] Minister Vladimir Panskov, even if all 1,500 employees of his department worked without days off, to do everything would be simply impossible.

[begin Panskov recording] In 1995 we received more than 25,000 instructions from the Government of the Russian Federation. What does it mean? It means we receive on average 100 instructions a day. Naturally, it takes time to deal with these instructions. Also, most importantly, these instructions are mainly about the possibility of allocating additional funds. Naturally, this cannot be resolved quickly. [end recording]

[Milyanchikov] Our interview was interrupted several times by telephone calls. The financing of an Interior Ministry unit was being discussed. Everyone thinks their matter is urgent and should be dealt with promptly, ahead of others. But the ministry does not have funds to spare. It can satisfy a request only after the budget receives the funds. This takes time, which many people are inclined to regard as sabotage.

**Kulikov Comments on Concept for Interior Ministry**

*LD3112150995 Moscow INTERFAX in English 1343 GMT 31 Dec 95*

[FBIS Transcribed Text] MOSCOW, Dec 31 (INTERFAX) — The recently adopted concept for the Interior Ministry's performance in 1996 will help law enforcement organs become more efficient, Russian Interior Minister Anatoliy Kulikov told INTERFAX in an exclusive interview.

The assessment of the Interior Ministry's 1995 performance shows that the number of serious crimes, including premeditated murders, and crimes involving abuse of office had somewhat decreased. Investigators managed to solve 10 percent more of such crimes in 1995 against 1994, Kulikov said.

Criminal cases concerning about 3,000 criminal groupings were submitted to courts in 1995, or 15 percent more than in 1994, Kulikov said. Over ten leaders of criminal groupings were held criminally accountable, he said.

"Police pin big hopes on the law-making activity of the new State Duma (parliament's lower chamber — IF)," Kulikov said. "We hope that deputies' efficient performance will help undermine corruption and tackle economic crimes destroying Russian statehood," he said.

**Deputy Prime Minister Interviewed on Inflation, Reform**

*LD3112093495*

[FBIS Editorial Report] Moscow Mayak Radio Network in Russian at 0130 GMT on 31 December carries a 11.5 minute recorded "traditional" interview with First Deputy Prime Minister Anatoliy Chubays by Vladimir Savchenko. Place and date not mentioned.

Chubays points out that for the past few years it has proven possible to pass the budget before the start of the new year. This is very important, he says, and is not a question of whether the budget is a reformist or non-reformist one, it is a question of elementary order and discipline.

Chubays states inflation is being dealt with and that last January it was 18 percent and preliminary figures for December show that it will be just over 3 percent.

Asked if the "wooden ruble" is a thing of the past, Chubays states that 1995 established continuation of the policy of strengthening the ruble, making it "a prestigious and effective currency, not only in Russia but also in CIS republics."

He adds that "it is quite clear that we are consistently working for the ruble to be a convertible currency for the world as a whole but much needs to be done on this."

These prerequisites include the fixing of the currency band and "giving up empty monies printed out of thin air," which were both achieved in 1995.

"If principles are adhered to and policy is pursued on these principles in the future, then yes, goals will be achieved," he states in reply to a question by Savchenko. "Then literally it is only a matter of two or three years before Russian currency becomes recognized throughout the world. If not, it will be a step backward, a wooden ruble buying nothing, loss of national currency — that really means loss of the state's standing."

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He states it was often argued that the state meant tanks and armaments. There was no doubt something in that, but that idea is receding into the past. He adds that today it is national currency that counts, along with currency and gold reserves, that determine the economic might of the state. He states that Japan has less tanks than Russia, but the Japanese yen has a powerful influence.

"A change of half a percent in the rate of the yen rocks the world's currencies and financial markets. The ruble could be even stronger than the Japanese yen but this requires sticking to the policy pursued thus far," he says.

Savchenko speaks about poverty and the shortcomings in fulfillment of the budget.

Chubays states poverty in the country is quite abnormal and unacceptable and what is particularly painful is the huge difference in the standard of living between the poor and the rich.

On the other hand, he states that in 1995 a serious attempt was made to tackle the question of levying taxes. There is no question about it, everyone should pay tax, tax should be paid as stipulated by law, and taxes are needed for budget revenue, he states.

On the other hand he states: "It is absolutely true that in 1995 we managed for the first time to start to reduce the gap between the rich and poor."

"The method in which it proved possible to achieve this was by lowering the rate of inflation," Chubays said.

"By lowering inflation from 18 to 3 percent, the number of people living below the poverty line in Russia has fallen by more than 20 million," he explains.

After exchanging pleasantries about Russian new year customs, Chubays and Savchenko send good wishes to their listeners for the new year.

**Filatov Calls For Democratic Movement's Unification**

*MM0201094296 Moscow ROSSIYSKIYE VESTI in Russian 30 Dec 96 p 1*

[Article by Sergey Filatov, chief of the Russian Federation President's Staff: "Democracy Must Not Be Lost"]

[FBIS Translated Text] 1996 is the year of the Russian presidential elections. I hope that they do not lead to new upheavals and that political processes do not take a revolutionary path.

In the six months remaining before the elections the reform forces must get down to serious work with people and explain to them how things really are. Of course conclusions must be drawn from the election campaign which has taken place. The main conclusion is that the democratic movement is disunited. It is necessary finally to sit down at a round table meeting and find a point of contact. It is necessary to realize that it is one thing to argue about how to conduct the reforms but it is quite another to ensure that the democratic movement as such is not lost in the country. It is time that the democrats came down from the romantic clouds to the mortal earth below. In my view a united democratic faction must be created in the State Duma based not on the leaders but on the structure.

I believe that next year we will see a deepening of the main transformation that is happening in the state — the separation of power at different levels: the federal center, the components of the Russian Federation, and local self-government.

There must be a definite reorganization of the presidential structures although no radical changes are envisaged. The Russian President's Foreign Policy Council has been created and the Human Rights Commission is being reformed. A considerable reduction is planned in the personnel of the President's Staff. I believe that the work of the Presidential Staff's Information Administration must be improved.

**Border Guards Detain Over 2,800 Violators in 1995**

*LD3112153095 Moscow INTERFAX in English 1343 GMT 31 Dec 95*

[FBIS Transcribed Text] MOSCOW, Dec 31 (INTERFAX) — Russian border guards detained over 2,800 persons trying to illegally cross the border in 1995, the Russian Federal Border Guard Service told INTERFAX.

Border guards also seized about 2.5 tonnes of drugs and 535 items of fire-arms. Border guards helped Russian customs officers seize contraband and transferred to the federal budget 27 billion rubles worth of contraband in 1995.

The Federal Border Guard Service said the 120 billion to 130 billion rubles of targeted state expenses on border guards in 1996 "are not just budget expenditures but a promising investment in the country's security which will help prevent more significant economic losses."

During the Putina (Barrier) operation implemented by border guards together with other Russian departments detained ships were fined $250,000. Border guards prevented illegal fishing which could cause Russia a damage at 2.5 trillion rubles.

Border guards were underfunded in 1995 and failed to receive 140 billion of rubles which resulted in border guards accumulating debts for various services, the same source said.

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Defense of one kilometer of the border costs 2 billion to 3 billion rubles while maintenance of a border post costs up to 7 billion rubles a year, the same source said.

The Russian Security Council decided in November 1995 that border guards should protect the administrative borders of Chechnya, Russia's breakaway internal republic. Over 500 billion rubles were spent on maintaining border outposts there.

Russian border guard troops remain undermanned by 10 percent, the same source said. Up to 50 percent of equipment used by border guards has become outdated.

The number of border guard troops was maintained on an appropriate level in 1994-1995 due to attracting 32,000 contractual servicemen for protecting Russia's borders and 40,000 border guards from the CIS countries for defending the CIS external borders, the Federal Border Guard Service said.

### Over 11,000 Strikes Recorded in Russia in 1995

*LD3112152795 Moscow INTERFAX in English 1343 GMT 31 Dec 95*

[FBIS Transcribed Text] MOSCOW, Dec 31 (INTERFAX) — Over 11,000 strikes were launched in Russia in 1995. The majority of the strikes were initiated by school teachers whose complaints include low living standards, Director of the Russian Labor Ministry's analysis and information department Valentin Tinyakov told INTERFAX.

Strikes in January through November 1995 involved 390,500 people, Tinyakov said. According to the Russian Labor Ministry, the loss of working time totalled 1.09 million man-days in 1995.

## Media Issues

### Yeltsin Signs Laws on Media Issues

*LD0101194196 Moscow ITAR-TASS in English 1924 GMT 1 Jan 96*

[FBIS Transcribed Text] MOSCOW, January 1 (ITAR-TASS) — Workers of the Russian mass media will be able to take a breath of relief from the beginning of the New Year, as a result of laws, signed by President of Russia Boris Yeltsin. The laws come into force as of January 1, 1996.

The package includes the laws "On state support to the mass media and book publishing in the Russian Federation", "On economic support to district (City) newspaper", addendum to the law "On customs tariffs".

Press-Secretary of the Russian Head of State Sergey Medvedev explained that these documents provided considerable privileges, including tax, customs and foreign currency reliefs to the mass media, as well as in the sphere of publishing and printing activities.

For example, as of the beginning of 1996, editorial boards of the mass media, publishing houses and printing enterprises can import paper, printing materials, audio and video gadgets and engineering equipment into Russia without payment of customs duty.

Periodical publications and books published by mass media and publishing houses from such imported materials for educational, scientific and cultural purposes will also be exempted from payment of import duty as of January 1, 1996.

The signed documents, "possibly, may have shortcomings, and they, of course, will not remove all problems related to the development of the press in market conditions," the Press-Secretary noted. "However, while taking these decisions, the President proceeded from the assumption that at this stage they can really help the cause of establishing a free and responsible press, which he considers an important instrument for establishing democratic principles of life in Russia".

## Military & Nuclear Issues

### Yeltsin Decree Boosts Defense-Related Industries

*LD2912201695 Moscow ITAR-TASS in English 1923 GMT 29 Dec 95*

[By Mikhail Shevtsov]

[FBIS Transcribed Text] MOSCOW, December 29 (ITAR-TASS) — A decree "On State Defence Contract" recently signed by President Boris Yeltsin is the first step to ensure that the state defence contract be advantageous for defence enterprises, Russian First Deputy Defence Minister Andrey Kokoshin told ITAR-TASS on Friday.

Kokoshin said that the decree is primarily aimed at the stabilisation of the financial and economic situation at enterprises producing defence-related products under new economic conditions. The law will equally apply to manufacturers releasing final products and enterprises producing completing parts included in the defence order, Kokoshin said.

He noted that provisions of the law banning restructuring of defence-related enterprises without the consent of the Russian government are most important in terms of Russia's defence interests. Under the law, the key figures of the defence contract shall be endorsed by the head of state. The key figures of the defence contract for the forthcoming year shall be submitted by the government to the president simultaneously with the draft

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federal budget submitted to the State Duma for approval. Articles of the federal budget envisaging funds for the state defence contract are given a protected status since the moment the president's decree is signed.

**Defense Minister Grachev Sends New Year Message**

*MM0201091796 Moscow KRASNAYA ZVEZDA in Russian 30 Dec 95 p 1*

[Greetings message from Army General P. Grachev, Russian Federation defense minister: "Happy New Year of 1996, Combat Comrades! Russian Federation Defense Minister's Congratulations"]

[FBIS Translated Text] Comrade soldiers and sailors, sergeants and petty officers, warrant officers and ensigns, officers, generals, and admirals!

Combat friends!

The old year of 1995 is passing into history. It was particularly portentous for our people. On 9 May we celebrated the 50th anniversary of our people's victory in the Great Patriotic War. The unification of the entire country, the love of the fatherland, supreme patriotism, and combat feats of the officers and men, the leadership talents of the military leaders, and the self-sacrifice shown by rear service workers were the most important factors behind the great victory. Last fall there was one other special date in mankind's history — the 50th anniversary of the end of World War II.

It is the duty of those now living to remember the lessons of history. Only a state rallied by its unified aspirations and concern for the fatherland can be invincible.

Nineteen ninety-five will also go down in history as a year of elections to the Russian Federation State Duma. Army and Navy servicemen actively participated in the elections, linking them with their hope for stability, peace, and prosperity in Russia, and with their faith in a better future.

As is well known, the past year was a difficult one for Russia and its Armed Forces. The hostilities in Chechnya, the tense situation in "hot spots," the implementation of a peacekeeping mission, flights, long sea voyages, exercises, and combat alert duty all require constant effort, courage, willpower, and professionalism from Army and Navy personnel. The overwhelming majority of servicemen are honorably carrying out the tasks entrusted to them, demonstrating combat valor and patriotism, and often displaying genuine heroism. The Army is and will continue to be the supreme guarantor of Russia's security and of the preservation of its integrity and sovereignty. High combat readiness, vigilance, and the improvement of our performance are our military duty and obligation.

The new year of 1996 will be an important landmark in the history of the Russian state. It will be the 300th anniversary of the Russian Navy. I express the confidence that Army and Navy personnel will greet this glorious date worthily.

Dear combat friends! Many of you will be spending New Year's Eve far from your homes and families, carrying out your combat duty; some of you will have to greet the Near Year essentially in a combat situation.

I wholeheartedly wish you all peace and tranquillity, and confidence in the future. I wish you, your relatives, and your friends a Happy Near Year in 1996! I cordially wish Armed Forces veterans a Happy New Year. I wish everyone happiness, good health, optimism, love of life, and great success in all their work for the sake of our Russia!

[Signed] Army General P. Grachev, Russian Federation defense minister

**Level of Converted Defense Industry Output Predicted for 1996**

*LD0101175596 Moscow INTERFAX in English 1630 GMT 1 Jan 96*

[FBIS Transcribed Text] MOSCOW, Jan 1 (INTERFAX) — Output of civilian production on converted defense industry enterprises in 1996 will be 95-101 percent of the 1995 level, the Russian Economics Ministry has predicted.

Output of civilian production in the national defense complex fell by 22 percent in 1995 because of low budget financing and insolvency of clients. In 1994 output of civilian production in the defense industry dropped by 38.5 percent.

Experts of the Economics Ministry handed INTERFAX their prognosis for the country's social-economic development in 1996. Under the prognosis, in 1996 the defense industry's production for the fuel and energy complex and the electronic industry will rise by 11 percent against 1995. Output of medical equipment and equipment for the agricultural-industrial complex's processing enterprises will go up by 2 percent in 1996 on 1995. The defense industry will produce 1.1 times more helicopters in 1996 than in 1995, 1.6 times more planes, including 2.1 times more of new generation planes, and 1.45 times more ships. The defense industry plans to produce 95 passenger and transportation planes, including 46 units of new models, 180 helicopters and 58 various ships in 1996.

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Production is likely to rise due to more long-term orders from Russian and foreign customers, the Economics Ministry said. Demand has already risen for Tupolev-204 planes produced by the Aviastar joint-stock company from Ulyanovsk, Ilyushin-96-300 planes produced by the Voronezh plane-building company and Mi-26 large-capacity helicopters produced by the Rostov-Mil joint-stock company.

The Admiralteiskiye Verfi shipyards from St. Petersburg have begun building environmentally friendly freighters. The Zelenodolsk shipyards have launched production of hover-craft. St. Petersburg's Baltiiskiy Zavod shipyards have begun producing chemical products carriers.

### Nuclear Ministry Official Reports on Imports, Exports

*LD0101180196 Moscow INTERFAX in English 1630 GMT 1 Jan 96*

[FBIS Transcribed Text] MOSCOW, Jan 1 (INTERFAX) — Exports of the Russian Nuclear Ministry reached $1.65 billion in 1995, while imports did not exceed $110 million, Russian Nuclear Minister Viktor Mikhailov told INTERFAX.

By 1998 exports of the Russian nuclear industry and power engineering will reach $2 billion. This figure does not include the ministry's profits from contracts on construction of nuclear power plants in Iran, China and India. Their fulfillment will bring the ministry approximately $500 million a year by 1997.

A most promising project of Russian joining of the world nuclear market is fulfillment of the contract with the United States on sales of highly-enriched uranium from dismantled nuclear war heads, which is processed into nuclear fuel.

The contract on sales of uranium in the U.S. is signed for 20 years. Last year the Russian Nuclear Ministry gained some $140 million from its implementation. This year $280 millions worth of uranium will be sold, and up to $400 millions worth of uranium will be sold in later years.

## Regional Affairs

### Chechnya Reportage: Negotiations, Politics, Military

#### Head of Republic Calls For Peace

*LD3112190095 Moscow ITAR-TASS World Service in Russian 1836 GMT 31 Dec 95*

[By ITAR-TASS correspondents Sharip Asuyev, Nikolay Zagnoyko]

[FBIS Translated Text] Groznyy, 31 Dec (itar-tass) — Doku Zavgayev, head of the Chechen Republic, has called on his fellow countrymen to achieve national accord in the new year. In a New Year address to his compatriots he described the fact that large-scale hostilities were stopped in Chechnya as the main result of the outgoing year.

Doku Zavgayev said that the elections in Chechnya and the all-round assistance from the Russian leadership have created objective pre-requisites for transferring the republic's life onto the peaceful tracks. "We must find the courage", he said, "to stop this madness which is called armed confrontation."

#### Government Legitimacy Claimed in New Year Message

*LD3012184095 Moscow ITAR-TASS World Service in Russian 1405 GMT 30 Dec 95*

[By ITAR-TASS correspondent Nikolay Zagnoyko]

[FBIS Translated Text] GROZNYY, 30 Dec (itar-tass) — The government of Chechnya today issued an address to the people of the republic, in which it described the outgoing year as "a year of tragic tribulation."

At the same time, the message stresses, events at the end of the year showed that "the people of Chechnya are capable of realizing their aspirations for peace, accord, and stability in the republic." "This has been graphically demonstrated by the recent elections," the address notes. A legitimate government has come to power as a result of the elections, it says.

According to the authors of the document, events that have followed the elections, in particular the peaceful settlement of the conflict situations in Urus-Martan and Achkhoy-Martan, "have plainly demonstrated this government's ability to resolve issues in a democratic manner, without armed resistance."

"By following the course for which the majority of Chechnya's electorate cast their votes, the people will

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achieve stability and will be able to resolve those problems that face the republic," the address says.

### Usanov Favors 'Inter-Chechen Dialogue'

*LD0101140896 Moscow INTERFAX in English 1358 GMT 1 Jan 96*

[FBIS Transcribed Text] GROZNYY, Jan 1 (Interfax) — The Chechen government this year will seek stepping up the "inter-Chechen dialogue" aimed at stabilizing the situation, Chechnya's Deputy Prime Minister Yunadi Usanov has said.

Interviewed on Monday, he recalled that on December 30 an initiative group for national reconciliation left for Vedeno on December 30 thereby proving "its capabilities in the Urus-Martan district." The group's members — authoritative figures and elders — are having negotiations with the commanders of illegal armed formations in the Vedeno district.

From Vedeno the initiative group will go to Shali and other rural communities to continue the dialogue, Usanov said.

About the situation in Gudermes, where fierce fighting took place in December, Usanov said that according to early estimates the material damage done to Chechnya's second biggest city is estimated at 1.5 trillion rubles.

### Delegation Urges Basayev, Mullahs To Ease Tension

*LD3012093895 Moscow ITAR-TASS in English 0850 GMT 30 Dec 95*

[By Nikolay Zagnoyko]

[FBIS Transcribed Text] GROZNYY, December 30 (Itar-Tass) — A public delegation of Chechnya's south-eastern mountainous Vedeno district today went to Vedeno, the district's central town where rebels under Shamil Basayev hole up.

Ten delegates of teips (tribal clans) of southeastern Chechnya want to meet Basayev, the leader of the hostage-taking raid on the Russian southern town of Budennovsk last summer, and with religious figures.

The delegation told Itar-Tass that their mission was to ease tension in Vedeno and other towns, where massive armed rebel factions are lingering.

The delegates are going to appeal to locals and Moslem priests, "citing the Koran and the decrees of the Russian president", not to allow armed clashes to occur.

### Use of Force in Vedeno Postponed Until 5 Jan

*LD3112093895 Moscow ITAR-TASS in English 0933 GMT 31 Dec 95*

[By Sharip Asuyev and Nikolay Zagnoyko]

[FBIS Transcribed Text] GROZNYY, December 31 (Itar-Tass) — The Command of Federal troops in Chechnya has promised not to use force until January 5 against unlawful armed formations that have entered the mountain village of Vedeno, Saipuddin Chalayev, Deputy Prefect of Vedeno District, told Itar-Tass on Sunday.

This has been done in response to a request from representatives of the local authorities and residents of Vedeno, who promised to peacefully persuade the militants led by Shamil Basayev into leaving the village to prevent it from being destroyed, Chalayev said, expressing confidence that the efforts would be a success.

### Tight Security Causes Groznyy Traffic Chaos

*LD3012175895 Moscow ITAR-TASS in English 1702 GMT 30 Dec 95*

[By Sharip Asuyev and Nikolay Zagnoyko]

[FBIS Transcribed Text] GROZNYY, December 30 (Itar-Tass) — A security ring tightened in Groznyy for fear of terrorist actions one year after federal troops stormed the city has already caused huge traffic jams at approaches to the Chechen capital. TASS correspondents said they were to queue for over four hours today to get into the city from the south-western direction.

From December 30 through January 1, entry to Groznyy is limited to those having special passes for their vehicles or city residence permits. All traffic is prohibited in the city from 19.00 to 6.00 hours local time.

Local law enforcement agencies are operating in an emergency mode, according to Chechnya's Interior Minister Khamid Inalov. Units guarding gas and electricity supply systems have received personnel support, he said. Federal troops, police and security agencies are taking additional measures as well to ensure the city's safety.

On Friday, a powerful explosive device went off in downtown Groznyy killing one and wounding at least seven civilians.

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### Aid Requested To Track Missing in Chechnya

*LD3112101795 Moscow ITAR-TASS in English 0957 GMT 31 Dec 95*

[By Sharip Asuyev and Nikolay Zagnoyko]

[FBIS Transcribed Text] GROZNYY, December 31 (Itar-Tass) — The Victims of War socio-political movement operating in the republic issued a statement on Sunday, requesting assistance in carrying on activities to track down people who have been reported missing in Chechnya.

In the outgoing year, the movement through the efforts of its members and on their personal money, revealed 64 common graves, identified and handed over to relatives the bodies of more than 350 those killed and established the fate of tens of people who had been reported missing, said the organisation's statement circulated here.

However, 15 mass graves still remain unearthed in the republic. The list of those missing includes more than 1,500 names. State services practically do nothing in this respect while social initiative gets stalled for lack of funds.

"We request all directors of enterprises, institutions and businessmen to render financial or technical assistance to us," the statement said.

### Chechnya Influences Russian Criminal Situation

*LD3112150695 Moscow INTERFAX in English 1343 GMT 31 Dec 95*

[FBIS Transcribed Text] MOSCOW, Dec 31 (Interfax) — The situation in Chechnya, Russia's breakaway internal republic, will continue exercising negative influence on the criminal situation in Russia, experts of the Russian Interior Ministry told Interfax.

The shortage of financial and technical funds for restoring the Chechen economy results in smaller funding of law enforcement organs and decreases their efficiency, the experts said.

The military confrontation in Chechnya also stimulates criminal activity beyond Chechnya's borders, the experts said.

Terrorist acts, hostage-taking and explosions aimed at destabilizing law and order may be launched, the experts warn.

Those criminals, who are now involved in military actions in Chechnya, may return to Russia's areas where they have their criminal and economic interests regardless of how the Chechen conflict is settled, the experts said.

### Casualties on Chechen Border Detailed

*LD3112150395 Moscow INTERFAX in English 1343 GMT 31 Dec 95*

[FBIS Transcribed Text] MOSCOW, Dec 31 (Interfax) — Twenty-seven Russian border guards were killed in 1995 when serving on the administrative borders of Chechnya, Russia's breakaway internal republic, the Russian Federal Border Guard Service told Interfax.

Another five border guards have been kept prisoners by an illegal armed formation since late August, the same source said.

Russian border guards protect some sections of the administrative border between Chechnya and Russia's internal republics of Ingushetia and Dagestan.

Border guards prevented five attempts of illegally bringing convoys of trucks with various cargoes through the Russian-Azerbaijani border. Russian border guards stopped 53 trucks carrying 240 shells, 27 items of armaments, 110,000 cartridges, medicines and military uniform weighing over 7 tonnes. Ten groups of Azerbaijani residents going to Chechnya were not allowed to cross the border because they were suspected of belonging to separatist rebels.

To prevent illegal trafficking in arms and illegal hard currency operations, Russian border guards implemented the first stage of the Samur-95 operation on December 5-12 and detained 126 persons violating border regulations.

### Caucasus Border Guards Arrest 3,931 Trespassers in 95

*LD3112100695 Moscow ITAR-TASS in English 0948 GMT 31 Dec 95*

[By Nikolay Styazhkin]

[FBIS Transcribed Text] STAVROPOL, December 31 (Itar-Tass) — In the outgoing year, the border guards of the Caucasian Special Border District have apprehended 3,931 border trespassers in the Russian State border section which stretches for hundreds of kilometres from the Caspian via the ice-capped mountains of the Caucasus to the Black Sea, Major-General Vladislav Kostyunin, Deputy Commander of the District, has told a press conference on the eve of the New Year.

Two-thirds of the trespassers crossed the border with a view to penetrating into Russia and 1,306 trespassers tried to cross into neighbouring contiguous states from Russian territory. During the year, the border guards of the District have confiscated contraband merchandise worth 1,821,000 million roubles, General Kostyunin said.

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**Moscow Mayor Suggests NDR Adopt His Economic Program**

*MK3012133195 Moscow SEGODNYA in Russian 30 Dec 95 p 2*

[Report by Natalya Gorodetskaya: "'Egotism of Power.' The Moscow Mayor Has Proposed to 'Russia Is Our Home' an Economic Program of His Own"]

[FBIS Translated Text] Moscow Mayor Yuriy Luzhkov's lecture "The Egotism of Power" at the Russian State Humanitarian University drew a full house. Mr. Luzhkov was listened to attentively; the audience showed good will, laughed a lot, people clapped their hands, and at times individual claps turned into a general applause.

The Moscow mayor spoke not so much about the egotism of power as about the wrong, in his opinion, socioeconomic policy of the government. It was this policy that brought the Communists to victory and the "Russia Is Our Home" [NDR] movement to defeat in the election, since — the mayor repeated more than once — 10 percent of the vote means "a defeat, almost the last warning to the party." "Where is the NDR calling us to?" Mr. Luzhkov asked rhetorically, answering himself: "Nowhere."

Then, Yuriy Luzhkov set forth a program which, once fulfilled, could well bring the NDR to victory in the presidential election. First, in his opinion, the government "should distance itself from Chubays" and the privatization policy, which the first deputy premier called "an exchange of power for property." Now, Luzhkov said, it is time to privatize the "cost of the reproduction of manpower" rather than state property. Mr. Luzhkov's views on privatization, however, are well known — to sell state property at the highest price possible, having, at the same time, retained it under the control of the local authorities.

Second, it is essential that the fuel and energy sector and, possibly, prices be put under state control. A consumer should pay the fuel and energy sector for power at only 20 to 30 percent of world prices, while the rest should be subsidized by the state. After such a reduction in prices for fuel and energy, in the mayor's opinion, the number of enterprises capable of paying them will grow. At the same time, the revenues of the fuel and energy sector will not go down and will still permit it "to build marble palaces for itself and to send its staffers on vacations to the Canary Islands." Other Russian enterprises, however, especially power-intensive ones, will be able to sigh in relief.

Third, law and order should be established. Mr. Luzhkov emphasized that criminalization of the country is a consequence of improperly conducted privatization — under which some people received everything, while others got nothing — and impoverishment of the population. He believes that if the former two of his recommendations are fulfilled, the situation with crime will be much better.

In a slight contradiction of himself, Yuriy Luzhkov disclosed his vision of the functions of the state, which would have to serve people rather than lead them to a bright future, regardless of their wishes. The state and local authorities should, in his opinion, "teach, treat, and sometimes punish" people. When "the measure of labor and the measure of consumption are determined under conditions of free competition," everything depends on people themselves. "The well-being of every family" will be determined by "the amount and quality of labor of every family member and the ancestors in the near past" who have owned property and multiplied it.

In answer to the question of whether he will run for president of Russia, Yuriy Luzhkov said that he "wished to remain the mayor of Moscow and intended to advance his candidacy for this post in June 1996," and that he "had no wish" to be president.

**Election of Moscow Oblast Governor Called 'Farce'**

*MK3012131795 Moscow SEGODNYA in Russian 30 Dec 95 p 2*

[Report by Viktor Khamrayev: "Today, Voters Are Offered To Elect the Moscow Oblast Governor. It Turns Out, However, That There Is No One To Choose From"]

[FBIS Translated Text] The second round of the election of the Moscow Oblast governor will be held today, despite the fact that one of the two contenders — Valeriy Galchenko, deputy chairman of the oblast Duma — has withdrawn his candidacy, having sent a statement to this effect to the Moscow Oblast Electoral Commission.

Thus, people in Moscow Oblast are now putting their ballots into boxes unaware that, in fact, they are voting for the only candidate — Anatoliy Tyazhlov, incumbent head of the oblast administration.

Mr. Galchenko explained his decision to your SEGODNYA correspondent by his unwillingness to take part in an "open farce," into which, in the opinion of the oblast Duma's deputy speaker, the election was transformed after the Moscow Oblast Electoral Commission, having summed up the voting results in the first round on 17 December, hastened the second round by scheduling it for 30 December. According to Mr. Galchenko, by so doing, it violated the law on the election of the oblast governor, whereby the second round should be held no

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earlier than 20 days after the first one, since such is the period to be given to an electoral commission to notify (via the mass media) voters about the voting date. In Mr. Galchenko's words, the farce consists in the fact that "everything that is happening now takes place under the pressure of the oblast administration and with its active participation."

Mr. Galchenko has failed to prove his point legally: The Moscow Oblast Court has recognized the oblast electoral commission's decision regarding the date of the second round of voting as lawful. The Russian Federation Supreme Court, where the candidate for governor appealed, was unable to make a ruling, since the "case" had not been transferred from the oblast court to the Supreme Court yet.

Under such a situation, Mr. Galchenko has withdrawn his candidacy in the hope that the second round will be canceled, since it should be held only on an alternative basis. The electoral commission members, however, deemed it possible yesterday not to consider the "self-withdrawal" of the oblast Duma deputy chairman, and started the examination of his statement only this morning. Thus, formally the election is being held today on an alternative basis.

This notwithstanding, Mr. Galchenko assures: "I will continue to fight" in the hope that the second round of the election will be "recognized as having not taken place."

**Collection of Spilled Oil Continues in Bashkortostan**

*LD3112154195 Moscow INTERFAX in English 1343 GMT 31 Dec 95*

[FBIS Transcribed Text] UFA, Dec 31 (Interfax) — Repair workers are now continuing the operation for eliminating the aftermath of an oil spill near the Novoaleksandrovka village, the Russian internal republic of Bashkortostan, which occurred on December 28.

Earlier, the operation was expected to end on December 31 or January 1, a source in the Uralsibnefteprovod joint-stock company, which owns the oil pipeline, told Interfax Sunday.

The sharp deterioration of weather conditions has postponed the completion of the operation. Twelve brigades of repair workers are currently collecting oil on the 35,000 square meters hit by the oil spill. They are collecting oil with the help of special equipment.

A special commission is now at the site of the oil spill. The commission will determine the damage caused by the oil spill and the amount of the oil spill in the next few days.

The accident on the oil pipeline in Bashkortostan cannot be compared to the oil spill in Russia's internal Komi Republic in the summer 1994, the source in the Uralsibnefteprovod joint-stock company said. The oil spill in Bashkortostan is much less serious than in Komi, the source said.

According to various estimates, from 14,000 tonnes to 70,000 tonnes of oil-containing liquid spilled as a result of the accident on the oil pipeline in Komi.

**Bashkortostanis Favor Land Ownership Curbs**

*MM0201114996 Moscow SELSKAYA ZHIZN in Russian 30 Dec 96 p 2*

[Correspondent Kyamil Shakhvaliyev report under the rubric "Fact and Commentary": "'No!' to Private Ownership of Land"]

[FBIS Translated Text] Republic of Bashkortostan — The official results of a republic referendum held at the same time as the elections to the State Duma have been summed up by Bashkortostan's Central Electoral Commission. Some 1,754,000 persons answered "no" to the referendum question: "Must land in the Republic of Bashkortostan be an object of unrestricted purchase and sale?" This amounted to 84.4 percent of those citizens of the republic who participated in the voting. Some 279,000 people or 13.5 percent, expressed themselves in favor of the purchase and sale of land. In all, over 73 percent of inhabitants of the republic with the right to vote participated in deciding the question of land.

The terse lines of the official report are a specific answer to the question that is most discussed in society at the present time, or to be more precise, in that stratum of society which is terribly keen to get its hands on the country's main asset. It is no accident that the referendum in Bashkortostan aroused the overt indignation of the progovernment mass media which considered it to be a challenge to the adopted policy of trading in land.

It must be said that the virtually unanimous decision by the citizens of Bashkortostan was not the result of a one-shot action by the government or of some campaign whipped up in the mass media. The results of the referendum have merely summed up the strategic course adopted in the republic toward renouncing "mass privatization," and harsh methods in conducting reform, and toward the consolidation of the citizens' well-being and, as far as possible, the attenuation of the impact of the Russian market which is running wild.

According to the adopted program for preparing for the referendum the topic of discussion itself was very precisely demarcated. "We favor the existence of various

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forms of ownership," M. Rakhimov, president of the republic, declared in his speech, "and the referendum will primarily address agricultural lands and land belonging to cities and to workers' settlements. The massive, uncontrolled alienation of lands, the undermining of the foundations of agricultural production, and the transformation of land into a source of illegal accumulation cannot be permitted to happen. We favor the kinds of forms of land tenure like long-term leasing and life hereditaments, but we are opposed to the unrestricted purchase and sale of land."

These are not just words. Not long before the decision was made to put the question of land to a referendum, a presidential edict was published in the republic's press "On the transfer of parcels of land into citizens' ownership for the purpose of personal subsidiary landholding, horticulture, construction, to serve an individual dwelling, dacha, or garage." Thus, the basic problem which existed regarding how city dwellers and country dwellers understand land ownership has been removed. It is no secret that for many city dwellers the "working allotments" were associated with that same land which was the subject of the referendum.

Incidentally, the so-called land for private use which includes personal subsidiary plots, collective orchards and kitchen gardens, plots for individual housing and garage construction, occupies a total area of slightly more than 200,000 hectares. If account is taken of the fact that there are 14 million hectares of land in the republic, of which about half are in agricultural use, this is a small figure. The edict published has enabled all owners of private plots of land to dispose of them as they see fit and this has tied up all the loose ends.

However, the results of the referendum could have been most unpredictable in a different socioeconomic situation in the republic. In order not to repeat the blanket economic experiment of many Russian regions, not just state control of production was retained here but also state support for it. The results speak for themselves. Bashkortostan is one of a few components of Russia which do not receive subsidies from the federal budget. Nevertheless this republic now accounts for every seventh kilometer of road commissioned in Russia, every fourth item of new equipment, and every fourth ruble invested in construction. Comparatively low prices have been preserved in the republic for many goods and services. And here the consumer basket is among the cheapest in Russia's republics, krays, and oblasts.

Not having followed the recommendations on the speedy liquidation of kolkhozes and sovkhozes, the republic has granted all forms of production organization an opportunity to develop. This has produced a positive result. Under conditions of this year's drought the republic's farmers gathered more than 3.5 million tonnes of grain and procured a million tons which made it possible to provide the republic's population with foodstuffs and industry with raw materials.

Whereas in previous years it was possible to build in just a few regions 150-200 homes per year, now this indicator is in excess of 1,000. Villages are being reborn and young people are returning to their places of birth.

Therefore it is not fortuitous that the republic's government is laying stress on the acknowledgment of its path of economic development with account being taken of its sovereignty. This approach is dictated by history the everyday life and the traditions of Bashkortostan. Incidentally, this in no way means that that the republic is being set in opposition to the policy of the Center. The economy is interconnected but the division of functions can lead to the protection of common interests.

The referendum in Bashkortostan is not a uniform recipe prescribed for all regions of Russia in tackling this global issue. However, it precisely defines the growing understanding of our fellow citizens in determining the spheres of protection of common interests against a handful of nouveaux riches who are making enormous sums through speculation.

## Economic Issues

### Soskovets: 1995 Results Show Macroeconomic Stabilization

*LD3012085695 Moscow ITAR-TASS in English 0816 GMT 30 Dec 95*

[By Oleg Velichko]

[FBIS Transcribed Text] MOSCOW, December 30 (ITAR-TASS) — First vice-premier Oleg Soskovets, speaking at a meeting with correspondents of leading Russian news agencies in Moscow on Saturday, said that the results of the economic development in 1995 point to the start of macroeconomic stabilisation.

He singled out considerable deceleration of inflation rates among positive trends as well as the stronger rouble, the rising share of national currency in the structure of money supply and a further rise in foreign trade turnover.

He stressed that many Russian factories have already adapted themselves to operation under new conditions of demand limitations of the domestic market.

The current year witnessed growth both in commodity-producing industries and, what's more important, in industries manufacturing intermediary products — ferrous

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and non-ferrous metallurgy, chemistry and petrochemistry.

At the same time, an industrial slump continues in sectors oriented on domestic demand — the light and food industries which do not withstand competition.

Soskovets noted that insufficient control over natural monopolists, high inflation expectations and very high rates of increment in the rouble supply as a result of converting currency into roubles were the main reasons for slower (than planned) deceleration of inflation rates.

In this connection, a decision was taken to freeze prices for products put out by natural monopolies from October 1995.

Non-payments also pep up inflation. According to the vice-premier's estimates, the payment for services of natural monopolies are responsible for nearly 50 percent of debts.

In turn, consumers, including many state-owned organisations and enterprises (financed from the federal budget), become debtors of these industries.

Soskovets admitted that the situation in the social sphere remains tense. Real incomes of people are dwindling down. A gap between incomes of various segments of population is increasing, and wage arrears, which have hit 11,600 billion roubles, are on the rise.

He said that this situation largely influenced the Russian society's swing "to the left".

The vice-premier emphasised that the cabinet plans in 1996 to concentrate on creating favourable conditions for investments, state support for effective investment projects, stricter control over price formation for goods and services of natural monopolies and over their economic activities.

According to Soskovets, foreseeable stable and consistent deceleration of inflation rates will rise predictability of economic situation, beat down interest rates, ensure greater accessibility of credits, including long-term loans, make payment delays disadvantageous and will help to raise living standards.

**Vice-Premier Soskovets Views Growth of Foreign Trade**

*LD0101180096 Moscow ITAR-TASS in English 1731 GMT 1 Jan 96*

[By Oleg Velichko]

[FBIS Transcribed Text] MOSCOW, January 1 (ITAR-TASS) — Russia's first vice-premier Oleg Soskovets said that in 1995 Russian foreign trade turnover amounted to 97.5 billion U.S. dollars, a rise of 24 per cent in comparison with 1994.

Talking to journalists from leading news agencies, the first deputy head of the Russian cabinet of ministers noted that this tendency of growth of exporting raw products and materials will be maintained in the new year.

"A favourable state of affairs on the world market and a limited demand of payments on the domestic market have contributed to a growth of exports of natural gas, electric energy, metallurgical, chemical, timber and paper products", he noted.

"At the same time, a significant strengthening of the real exchange rate of the rouble, that occurred in the past several months of 1995, did not have any impact on volumes of exports, which is related to implementation of long-term contracts", he said. At the same time, the first vice premier admitted that on the whole, advantages resulting from strengthening of the rouble, underwent a downward trend in September 1995 and exhausted favourable foreign trade factors of growth in industrial production. "The correlation between foreign economic and internal economic factors of growth are gradually moving in the favour of the latter", he emphasized.

Oleg Soskovets believes that there is a need to take specific measures for state regulation of imports of equipment, which can be produced in Russia itself. This, he noted, will help stimulate, on the whole, production of goods not for export, but for internal consumption.

For example, the first deputy premier cited an opinion expressed by specialists in the field of equipment for the oil and gas industry, who say that the quality of equipment produced, above all, by defence enterprises, considerably improved during the past three years, and demands reduction of imports of similar equipment from western countries at government level.

According to the first vice-premier, a tendency of growth of Russia's mutual trade with the CIS countries has been observed since the beginning of 1995. But the share of the CIS member-states in overall trade turnover of Russia continues to decline.

Furthermore, the debts of the CIS states to Russian enterprises of fuel and energy for products supplied to them today exceeds 15 billion roubles.

**Official on Increase in Railroad Freight Tariffs**

*LD0201080996 Moscow ITAR-TASS in English 0735 GMT 2 Jan 96*

[FBIS Transcribed Text] MOSCOW January 2 (ITAR-TASS) — As of 00.00, January 1, 1996, a maximum

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index for increasing freight tariffs is set on the level of 4 per cent of the tariffs, that were in effect before December 31, 1995, at all the Russian railroads, including railway communication inside the country, with other CIS member states, as well as export and import railway traffic, including with Baltic states, the Russian Ministry of Railways reports.

Commenting on the decision to increase freight tariffs, Boris Lapidus, head of the economy and development department at the Ministry of Railways, told ITAR-TASS correspondent Konstantin Savvin that the price of passenger tickets might go up in January too.

He pointed out that only one indexation of railway tariffs had taken place in the second half of 1995, namely in September. It amounted to 4.6 per cent. Between October and December railway tariffs were frozen by a government resolution.

According to Lapidus, if we analyze the period between July 15 and December 31, we shall see that railway tariffs were increased by 4.6 per cent, while prices in the industrial sector grew by 24 per cent.

**Official Expects Unemployment To Rise in 1996**

*LD3112151795 Moscow INTERFAX in English 1343 GMT 31 Dec 95*

[FBIS Transcribed Text] MOSCOW, Dec 31 (INTERFAX) — Unemployment will continue to grow in Russia in the next two years, Director of the Russian Federal Employment Service Fedor Prokopov told INTERFAX.

Russia had 5.7 million jobless people in 1995, or 7.8 percent of the able-bodied population, Prokopov said. In 1996 the unemployment rate will be 5.8 million people, or 8 percent, and in 1997 the figure will be 6 million, or 8.3 percent of the able-bodied population, he said.

The Russian Federal Employment Service registered 2 million unemployed in 1995, or 2.7 percent of the able-bodied population, Prokopov said.

Among the factors determining the difficult situation concerning employment, Prokopov named "the extreme shortage of funds budgeted for financing investment programs." He said only 10 out of the 137 industrial enterprises which should have been commissioned in 1995 were put into functioning.

The number of jobs on enterprises is likely to decrease from 45.8 million in 1995 to 45.1 million in 1996 and 44.4 million in 1997, Prokopov said. He said he believed that the situation might prove most difficult for workers of the light, textile, coal and defense industries.

**State Shareholding Auctions Raise Over $1 Billion**

*LD2912214395 Moscow ITAR-TASS World Service in Russian 1350 GMT 29 Dec 95*

[By BUSINESS-NEWS correspondent Vladimir Zadera]

[FBIS Translated Text] Moscow, 29 Dec (ITAR-TASS) — More than $1 billion — 4.7 trillion rubles [R] — have been paid into budgets at all levels following the 12 collateral auctions of state shareholdings in major companies held this year, BUSINESS-TASS was told today at the Russian State Property Committee press office.

But this is only half the amount originally envisaged from cash privatization in 1995, which was R9.3 trillion, according to the business community. Anticipated revenues were cut by about half in autumn, although according to earlier State Property Committee forecasts, the real level of demand for state shareholdings in denationalized companies was nearer R19 trillion.

According to expert opinion, privatization revenues fell short of the mark because of limited demand and a drop in the shareholdings' value. In particular, collateral shares in five companies failed to attract any bidders at all and were withdrawn from auction. A further eight companies, mostly in the defense sector, were withdrawn by presidential edict on the grounds that using their shares for collateral was undesirable. Shares in another three companies have been withdrawn because of ongoing arbitration court proceedings.

The auctions have been organized and held with varying degrees of success and there have been some high-profile clashes of interest among bidders vying to control state assets. The Russian President's office is now investigating compliance with edicts and instructions concerning the collateral auctions.

The auctions will continue into 1996 with certain changes in the terms on which they are held, Alfred Kokh, State Property Committee acting chairman, told journalists just before the New Year.

**Production Siting Experts Interviewed**

*MM0201120896 Moscow PRAVDA in Russian 23 Dec 96 pp 1-2*

[Interview with Aleko Adamesku, deputy chairman of the Council for the siting of productive forces and economic cooperation, and Viktor Kistanov, member of the international academy of information technology, by Anatoliy Pokrovskiy; date and place of interview not

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stated: "How Russia's Might Can Be Augmented" — first paragraph is introduction]

[FBIS Translated Text] The council for the siting of productive forces and economic cooperation (SOPSIES) has been operating in our country for 80 years now. It is now Russia's recognized scientific center for the study of problems of the economy's territorial development. The activity of stars of Russian science — Academicians V.I. Vernadskiy, I.P. Bardin, I.M. Gubkin, A.P. Karpinskiy, V.L. Komarov, V.S. Nemchikov, V.A. Obruchev, S.G. Strumilin, A.Ye. Fereman, and many others — is inextricably linked with the council. Questions of the solution of problems of the regional economy have now been raised particularly acutely. What SOPSIES is today is described to PRAVDA by veterans of the organization — the council's deputy chairman, Doctor of Economic Sciences Aleko Adamesku, member of the Russian Academy of Economic Sciences and Entrepreneurial Activity and the international academy of information technology, and the chief scientific staffer, Doctor of Economic Sciences Viktor Kistanov, member of the international academy of information technology.

[PRAVDA] With what was the birth of the new scientific organization connected?

[Adamesku] For all its general economic backwardness, Czarist Russia had enormous natural resources which had, however, been discovered over only one tenth of its territory. There was a strong, sometimes absurd dependence on foreign supplies even of widespread raw materials. For instance, silica sand was imported from France.

With the start of World War I there arose a catastrophic situation with regard to strategic raw material — tungtsen, molybdenum, lead, potassium salts, iron pyrites, saltpeter, and so forth. And at the initiative of leading Russian scientists headed by V.I. Vernadskiy in 1915 the standing commission for the study of productive forces — KEPS — was created under the Russian academy of Sciences for scientific assistance in mobilizing military resources.

[Kistanov] What happened was that the first assignment from the Soviet Government to the Academy of Sciences in connection with the forthcoming preparation of the "plan for the reorganization of industry and Russia's economic upsurge" (it soon became the GOELRO plan) was in fact addressed to KEPS. At the 12 April 1918 Soviet of People's Commissars session under the chairman ship of V.I. Lenin a decree was adopted "on suggesting that the Academy of Sciences work to record Russia's natural resources." The decree, like Lenin's "outline plan for scientific and technical work" which followed it and amplified the avenues for research for the scientific forces enlisted, put in first place the problem of the rational siting of industry.

And that was by no means fortuitous. After all, half of Russia's industrial production in 1913 was in the central and Northwestern guberniyas which occupied 0.5 percent of the country's area while only 4 percent of output was produced beyond the Urals.

[PRAVDA] How did scientists implement this government instruction?

[Adamesku] In 1930 the KEPS was transformed into the Council for the Study of Productive Forces — SOPS — which became an active participant in the preparation of all five-year plans and extensive plans for the economic assimilation of new regions and the development of inhabited regions. The SOPS mounted over 100 major comprehensive expeditions. They encompassed an enormous territory — from the Kursk magnetic anomaly to the Transbaykal and the Kola Peninsula to the Pamir.

As a result through the efforts of the SOPS scientists or with their effective participation a powerful mineral and raw material base for the country and on its basis many modern sectors of industry and very large industrial centers, primarily in the East and North were successfully created.

[Kistanov] The country's economic map was fundamentally transformed and hundreds of new plants, dozens of new industrial centers, and many agricultural regions and transport mainlines arose on it. In Siberia alone over a dozen new cities appeared: Novokuznetsk, Kemerovo, Belovo, Prokopyevsk, Norilsk, Igarka, and others.

[Adamesku] By the sixties as a result of the war restoration and growth of the economy a unified national economic complex had been formed in the USSR. To improve its proportions, including its territorial structure, the role of comprehensive territorial planning was intensified. The idea arose of organizing in it a preplanning scientific stage which it was proposed to implement through the development of sectorial, territorial, and general schemes for the development and placement of productive forces. In 1960 the SOPS was put at the head of this new, large-scale, and responsible work.

[PRAVDA] Could you illustrate the practical return on this work?

[Kistanov] Here is a far from full list of the results. For the first time a comprehensive feasibility study was done of the enlistment into economic circulation of the oil and gas of West Siberia, Central Asia, and Kazakhstan,

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the coal from the Kuznetsk, Kansk-Achinsk, Ekibastuz, and South Yakut basins, the iron ore of East Siberia, the Far East, and Kazakhstan, and the hydraulic energy of the Ob, Yenisey, Amur, Amudarya, and Naryn basins; of the creation of powerful new bases for electrical power engineering and energy-intensive metallurgical and chemical production facilities in regions of cheap fuel and energy; of the installation of new machine building plants (the Volga Truck Plant, the Kama Truck Plant, Atommash, and others), and petrochemical and timber industry combines; and of the formation of large territorial-production complex — the West Siberian, Bratsk, Sayansk, Kursk Magnetic Anomaly, Timano-Pechorskiy, South Tajikistan, and other complexes. The saving from advances in the siting of industry by the General Scheme through the year 2000 was assessed at something over 400 million Rubles [R] of estimated expenditure for every R1 billion of increase in gross output through relocation.

[PRAVDA] Nonetheless we had serious shortcomings in the siting of productive forces....

[Adamesku] Unfortunately, that is so. The social infrastructure was lagging in many regions and the superconcentration of industry in large cities had taken shape with grave economic consequences while excessively long-haul interregional shipments of freight had increased, and so forth. But great harm was caused not only by blunders in scientific developments but mainly by the departmentalism and localistic trends in planning and management and the lack of effective incentives and proper control.

[Kistanov] I should note that thanks to the efforts of SOPS we rejected the construction of the Lower Ob hydroelectric power station and the respecialization of the Baykal pulp plant, which were ecologically harmful. Plans to install a new metallurgical plant and to expand many times over the Novolipetsk combine in the fuel- and water-deficient and ecologically vulnerable Central Chernozem region. And even before the war SOPS achieved the relocation of the site of the planned upper Volga hydroelectric power station from Yaroslavl to Rybinsk, which prevented the extensive flooding of valuable agricultural land.

It must be stressed that despite the existing shortcomings in territorial development, the achievements of state socialism in this field, as in the restructuring of the economy's sectorial structure, were impressive. The critics of our history do not want to recall this. Thanks to centralized planning with the tough redistribution and strictly targeted use of resources the USSR rapidly achieved the point where even before the war the Eastern regions' share in industrial production reached 16 percent and then 23 percent as against 4 percent in 1913.

[PRAVDA] Russia's economy has now been greatly undermined and national economic priorities and proportions have been seriously disrupted and links with the former USSR republics have been weakened. Under these complex conditions what problems is SOPS resolving today?

[Adamesku] By an edict of the Russian Federation president, with a view to increasing the feasibility of the decisions which are taken for economic cooperation with the CIS countries and other states which are former republics of the USSR and for the economic development of Russia's regions, the elaboration of the theoretical bases for the formation of a common economic areas, for the improvement and intensification of scientific research into the siting of productive forces, SOPS was transformed into the council for the Siting of Productive Forces and Economic Cooperation — SOPSIES. It was headed by Russian Academy of Sciences member A.G. Granberg, a major scientist and regionalist who used to be leader of the institute of economics and the organization of industrial production of the Siberian branch of the Russian Academy of Sciences.

The processes of the territorial division of labor, which are of a strictly social nature, under the conditions of the transfer to a market economy are in particular need of state regulation. So, concentrating on the elaboration of the scientific bases for regional policy and the improvement of territorial forecasting, SOPSIES proceeds from the need for the close combination of the mechanisms of market self-regulation (and stimulation) with the use of the principles of the targeted (planned) development and siting of productive forces. From this viewpoint it is carrying out studies for state forecasts of Russia's socioeconomic development and developing territorial schemes and it is taking part in the preparation of regional targeted programs.

[Kistanov] The common ailments of Russian science — the reduction of financing, the aggravation of the cadres problem, the narrowing of the information base, and others — have affected us too. Continuing the noble traditions, the SOPSIES collective sees its main task in actively promoting the restoration and development of the Fatherland's economic and scientific and technical potential and the raising of the Russian state's economic stability and security.

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## International Affairs

### Ukrainian Troops To Take Part in Bosnia Peace Operation

*LD3012200295 Kiev UT-1 Television Network in Ukrainian 1900 GMT 30 Dec 95*

[No video available]

[FBIS Translated Text] The Ukrainian Government has decided that a Ukrainian contingent will participate in the peacekeeping operation by multinational forces, called on to facilitate the final settlement of the conflict on the territory of Bosnia-Herzegovina, the Ukrainian Foreign Affairs Ministry press center reports. The report says that the multinational forces will include a separate military subunit of the Ukrainian Armed Forces, which has been in Bosnia-Herzegovina for more than three years now as part of the UN peacekeeping forces.

Ukraine also plans to offer the services of its military transport aircraft for use by countries contributing to the operation. The Foreign Affairs Ministry press center report says that the Ukrainian Government's decision is a logical continuation of Ukraine's active stance in resolving the Yugoslav crisis.

### Financing Difficulties Viewed

*LD2912195495 Kiev UNIAN in Ukrainian 1620 GMT 29 Dec 95*

[FBIS Translated Text] Kharkov — The chairman of the Ukrainian Supreme Council Commission for Defense and State Security, Volodymyr Mukhin, told UNIAN on 29 December that Ukraine and France had reached a preliminary agreement on the deployment of a Ukrainian battalion in the French sector. He said the sides had been discussing the proposal that France maintain the 240th [Ukrainian] Battalion in exchange for services to be rendered by Ukrainian cargo airplanes.

Mukhin said the negotiations had been in progress till the very last moment and, probably, the sides failed to reach a final agreement.

"Following the deployment of NATO's and Russian troops on the territory of former Yugoslavia, each country should maintain its servicemen at its own expense; meanwhile, allocations from the Ukrainian budget for the maintenance of its armed forces, do not allow Ukraine to earmark the required sum," he said. Mukhin said "at least $10 million per month are required to maintain about 500 servicemen of the 240th Battalion".

Earlier, the Ukrainian battalion was part of the UN peacekeeping forces and was financed by the United Nations Organization.

### Japan's Export-Import Bank Grants Loan to Ukraine

*WS0201112496 Kiev INTELNEWS in English 0953 GMT 2 Jan 96*

[FBIS Transcribed Text] Moscow, Dec 29 — The Export-Import Bank [EIB] of Japan signed on Thursday credit agreements with Ukraine of 424 billion (approximately $234 million).

According to EIB officials, the credit was granted for support of the Ukrainian economic stabilization program. Also, the credit can be used by the Ukrainian government for destruction of the nuclear weapons located on the territory of the country.

46 billion of the credit will be used by Ukraine to finance purchases of Japanese goods and equipment. The remaining 418 billion is being granted as an "unrestricted credit in the framework of World Bank financing."

The Export-Import Bank agreement with the Ukrainian government is a part of the 1994 international program of G-7 and European Union aid to Ukraine. The program stipulates granting to Ukraine within two years a total of $4 billion for maintenance of the country's balance of payments.

The program includes International Monetary Fund loans (approximately $2.2 billion), World Bank credits ($500 million) and also commitments on export crediting by the governments of the U.S., Germany, Italy, Canada and France.

### Russia Agrees on Barter Exchange of Strategic Bombers

*WS0101113296 Kiev INTELNEWS in English 0055 GMT 30 Dec 95*

[By Oleksandr Pukhov, "Special to INTELNEWS"]

[FBIS Transcribed Text] Kyiv, Dec 29 — Ukrainian and Russian defense officials said the two countries' military experts have agreed on a barter compensation scheme in the neighborhood of $1.5 billion for the transfer of strategic bombers from Ukraine to Russia.

Ukrainian Defense Ministry sources said Russia has agreed on the barter exchange of 24 Ukrainian TU-160 strategic bombers and 24 TU-95 strategic bombers for spare parts, technical documentation, and technical aviation services for Ukraine.

The main obstacle to the deal has been Russian refusal to value the warplanes in world prices, said Ukrainian sources.

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As a result of talks held in Moscow at the beginning of December, which were headed on the Ukrainian side by the chief of the Armed Forces' engineering service, Volodymyr Voloshenovskyy, it was agreed that the approximate value of the deal will be $1.5 billion.

A Russian Air Force official said the two sides still have not agreed on the exact amount of compensation because "each side has its own method of calculation on the question." Russia is valuing the aircraft at $200 million, while Ukraine is quoting an undisclosed, higher sum.

The decision to transfer strategic bombers to Russia was made in March of this year and confirmed last month at a Defense Ministers' summit.

The Russian Air Force representative said the transfer will be carried out in two stages. During the first stage 10 TU-160 bombers in Pryluky and 15 TU-95MCs will be transferred to Russia. This first transfer will include some 300 cruise missiles which can be carried by the bombers.

Crews and technical personnel for the strategic bombers have been prepared already, said the Russian source.

**Foreign Ministry Cited on Achievements, Goals**

*WS0201094296 Lvov INFOBANK in English 0915 GMT 1 Jan 96*

[From the "News Service" feature]

[FBIS Transcribed Text] The press service of the Ukrainian Ministry of Foreign Affairs forecast the main trends of activities of this Ministry in 1996. They will be the following:

— signing and enactment of the initialed Ukrainian-Russian international political agreement and final determination of location of the Ukrainian and Russian Black Sea Fleets;

— development of mutual understanding between Ukraine and Romania regarding the preparation of a bilateral agreement on friendship and cooperation, which was not reached in 1995;

— preparation for talks with the European Union regarding free trade between Ukraine and the EU;

— collaboration with the West-European Union and more active participation in the Partnership for Peace program; as well as the development of an individual program of cooperation between Ukraine and NATO states beyond the Partnership program;

— full membership of Ukraine in the Central European Initiative in September 1996;

— development of diplomatic contacts between Ukraine and countries of the "third world";

The Ukrainian Ministry of Foreign Affairs considers its main achievements of 1995: the normalization of relations with Russia, improvement of contacts with Western countries and all-European institutions, the entry to the Council of Europe, participation of Ukrainian representatives in the Euro-Mediterranean Conference. The Ukrainian Ministry of Foreign Relations started trilateral Irani-Turkmeni-Ukrainian cooperation in accordance with the following scheme: supply of Turkmeni gas to Ukraine in exchange for export of Ukrainian-made products to Iran which, in its turn, will pay for them with the supply of goods to Turkmenistan. In addition, the Ukrainian Ministry of Foreign Affairs supported the entry of Ukraine into a Memorandum on International Council on Organization of Export of Turkmeni Oil and Gas to World Markets.

Among other important documents signed with the active participation of the Ukrainian Ministry of Foreign Affairs, the press service of the Ministry pointed out an international Ukrainian-Russian Agreement on the Restructuring of the Ukrainian Debt for Russian Governmental Credits, an agreement with the Russian joint-stock company Gasprom ("Gas Industry") regarding principles of regulation of the Ukrainian debt to Russia for gas supplies in 1994 and insurance of current payments for gas in 1995; an Ukrainian-Turkmeni agreement on supplies of Turkmeni gas to Ukraine in 1995; a number of credit agreements: between Ukraine and the European Union (85 million ECU), between Ukraine and the European Bank for Reconstruction and Development for the project on energy sector development ($61.9 million); as well as the decision of the EU Cabinet of Ministers to grant Ukraine financial aid amounting to 200 million ECU.

**Black Sea Fleet Admirals Criticize Ukraine Navy Leadership**

*WS0201111796 Kiev INTELNEWS in English 0953 GMT 2 Jan 96*

[By Oleh Poltavskyy, "Special to INTELNEWS"]

[FBIS Transcribed Text] Sevastopol, Dec 29 — The Black Sea Fleet's top admirals hurled thinly veiled insults at Ukraine's fledgling navy this week, even as the Ukrainian and Russian naval commands exchanged New Year's greetings.

Black Sea Fleet Rear-Admiral Boris Chernyshkov said at a session of the BSF Division Committee that "the Ukrainian Navy leadership is deliberately dragging out acceptance of BSF facilities and hardware because it has no money or personnel to operate them."

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Vice-Admiral Gennadiy Suchkov was even more blunt, saying Ukraine is stalling because "its plan to staff the crews of the ships transferred from the BSF with BSF personnel was a flop."

Suchkov said the Ukrainian Navy's excuse that sailors stayed with the BSF because of higher salaries is bogus. The BSF sailors swore an oath to a united motherland and would never consider serving in an independent Ukrainian armed forces, he said.

Meanwhile, at the command level, champagne and roses were everywhere on Friday, as Russia's Baltic Fleet Commander Vladimir Yegorov sent seasons' greetings to Ukrainian Navy Commander Volodymyr Bezkorovaynyy.

"We are strongly convinced that the mutual understanding, co-operation and respect towards each other will be the basis of our relations in the future," the greeting said. It also appealed to Ukraine's CIS patriotism, calling for "further rapprochement of our positions in the name of strengthening the sea borders of the Commonwealth of Independent States."

Bezkorovaynyy struck a pliant tone in remarks on Sevastopol radio Thursday, suggesting that the Ukrainian and Russian fleets should hold joint exercises to reduce mistrust between the two sides.

He said "distrust and suspicion are still alive" between Ukraine's navy and the Black Sea Fleet. "Instead of this we should conduct joint military exercises to exchange experience and to help each other," he said.

The Ukrainian admiral was optimistic on the problem of the BSF's division. "This year we advanced in solving the Black Sea Fleet problem not merely in words but with deeds. I think in the new year the problem will be finally solved in the interests of both Ukraine and Russia."

According to Bezkorovaynyy, optimism is grounded in the results of the most recent Ukraine-Russia defense minister negotiations in Sochi, and the wish of both sides to compromise.

Although 47 BSF sailors at Chornomorske in northwestern Crimea swore an oath of loyalty to Ukraine on Friday, the vast majority of those in BSF units set for transfer to Ukraine are not expected to do so.

## National Affairs

### 'Epilogue' Not Shown; Internal Problems Blamed

*LD0101181996 Moscow NTV in Russian 1600 GMT 1 Jan 96*

[Report over video by Olga Gerasimyuk, correspondent for Nova Mova television company from Kiev, for NTV: From the "Today" program, presented by Mikhail Osokin]

[FBIS Translated Text] The New Year began with a scandal in Ukraine. The leadership of the republic is trying to hide its internal problems and quarrels from the public.

[Gerasimyuk] The weekly "Pislyamova" [Epilogue] program of the Nova Mova television company did not go on air yesterday [31 December]. It is usually shown at 2100 on the first channel of Ukrainian State Television. The television company experienced some difficulties a week ago after the program showed an item about problems in the country's presidential administration caused by the noisy departure of a group of Leonid Kuchma's aides. When the aides left, they accused the presidential entourage of creating an atmosphere of intolerance in the administration.

All Ukrainian newspapers reported the situation. Nevertheless, Oleskandr Skotchenko, Pislyamova's manager, received a warning from administration spokesmen, which said that it is not desirable for material on this theme to be shown on air. However, the creators of the program considered it essential to show such material to Ukrainian television viewers, and also prepared reportage for Russian NTV.

A week after such an impermissible act, Zynoviy Kulyk, chairman of the State Committee for Television and Radio, and Oleksandr Savenko, president of the State Television and Radio Broadcasting Company, explained that it was advisable for the entire Nova Mova television company to take enforced leave for two weeks in order not to anger the high-ranking bosses. Under the contract between the national television company and Nova Mova, the next and last program should have gone on air on 31 December.

Zynoviy Kulyk and Oleskandr Savenko arrived in the Nova Mova office for a preliminary viewing three hours before the program was due to go on air. The program, which was delivered to the television center after that, did not appear on air. A New Year circus was shown instead. The cassette with the recording of the program disappeared. The television company has not yet received any official explanation about why the program was taken off the air. Unofficially, however, the leadership of Ukrainian television said it was due to calls from on high.

Olga Gerasimyuk, Nova Mova Television Company from Kiev for NTV. [Video shows shots of town, superimposed pictures of officials, television presenters in studio, officials]

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### Moroz Adviser: Commission 'Unable' To Agree

*WS0201094396 Lvov INFOBANK in English 0915 GMT 1 Jan 96*

[From the "News Service" feature]

[FBIS Transcribed Text] Oleksiy Yushchyk, an adviser to Chairman of the Supreme Council Oleksandr Moroz, in an interview with an INFOBANK correspondent, commented on the drawing-up of a new version of the Ukrainian Constitution. Adviser Yushchyk emphasized that the Constitutional Commission had exhausted its resources and is unable to come to an agreement. He is convinced that the two co-heads of the Commission, Oleksandr Moroz and Ukrainian President Leonid Kuchma, should make a joint political decision regarding the following two problems: the structure of the new parliament (one-chamber or two-chamber parliament) and the form of the future Ukrainian government (presidential, parliamentary or other).

Oleksiy Yushchyk believes that the Supreme Council will approve the version of the Constitution which is being considered by the Constitutional Commission. However, he foresees a heated debate over the issues of presidential powers, functions of the police and legislative institutions, division of authority of central and local governmental structures, system of state symbols, etc. Mr. Yushchyk said that if the Ukrainian Parliament fails to approve a new version of the Constitution, it will be transferred for consideration to a special Constituent Assembly and then be approved by a national referendum. The Adviser to the Chairman of the Supreme Council emphasized that regarding the President, he has no right to put up this version of the Constitution to a national referendum, since this step contradicts the Law on Government and the Constitutional Agreement. Oleksiy Yushchyk pointed out that, in order to overcome all kinds of legislative contradictions, it is necessary to prepare a resolution to determine the very procedure of the adoption of the Constitution. This step is to precede the adoption of the Constitution.

### Adviser on Uni/Bicameral Parliament Debate

*LD2912173095 Moscow INTERFAX in English 1514 GMT 29 Dec 95*

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] President Leonid Kuchma and parliament chairman Oleksandr Moroz, the co-chairmen of the Constitutional Commission [CC], must make a political decision on two key provisions of the new constitution, a bilateral parliament and the organization of the authority, Moroz's adviser Aleksey Yushchik believes.

Yushchik told INTERFAX that the CC cannot decide whether parliament should be unicameral or bicameral and whether the republic must be presidential, parliamentary or mixed type.

"If the president and parliament cannot agree on this, both branches of authority must end their terms," he thinks. Yushchik noted that a conflict of interests and building the prevalence of some branch, if built into the constitution, will sow the seeds of strife.

Yushchik believes that the Fundamental Law could be passed by a constitutional assembly, rather than the Supreme Soviet, and later approved in a national referendum but offering a constitutional draft for a referendum would be illegal. By-passing parliament would make a constitution illegitimate, he said. IF Note: Kuchma expressed doubts recently that the necessary two thirds of the MPs will vote for the constitution. If they do not, he wants to call a referendum on this. Kuchma also doubted that the Constitutional Commission in which both the executive and legislative branches are represented can work out a compromise draft.

Kuchma also wants the constitution to be passed before next June as agreed in the Constitutional Treaty between the president and parliament.

A constitutional draft, compiled by a CC working group, was passed by the CC on November 23 "as the basis for further work." Some group members say that the chapter on the executive branch has been complete since then but the draft as a whole remains "crude."

Yushchik did not rule out the possibility that the Supreme Soviet will debate several versions of certain parts of the draft. He expected the powers of the president and local authorities, the functions of the law enforcement agencies and the court and state symbols to be the subjects of much controversy.

### Moroz Opposes New Legal-Judicial Concept

*LD2812182595 Moscow INTERFAX in English 1607 GMT 28 Dec 95*

["INTERFAX-UKRAINE" news item]

[FBIS Transcribed Text] Kiev, December 28 (INTERFAX-UKRAINE) — There is no need to work out a new concept of a legal-judicial reform in Ukraine, we should better perfect the present one with due regard for the recent changes and objectives for the future, Ukrainian Parliament Speaker Oleksandr

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Moroz told a meeting of the Consultative Council in Kiev Thursday.

In his words, the discussion at the meeting has revealed the existence of different views on the concept of a legal-judicial reform.

The concept of legal-judicial reform in Ukraine was endorsed by the Verkhovna Rada of the previous convocation on April 28, 1992.

In July this year, the Justice Minister submitted to the Cabinet a new concept for examination, envisaging, in particular, the division of functions between investigative bodies and public prosecutor's offices as well as the turning over of penitentiary institutions from the Interior Ministry to the Justice Ministry.

Judicial power should become an instrument for the protection of human rights, O. Moroz told the meeting, adding that a provision to this effect should be sealed in the new Constitution, national laws and in the concept of legal-judicial reform.

Chairman of Ukraine's Supreme Court Vitaliy Boyko spoke out at the meeting in favor of an integrated judicial system to unite courts of justice, arbitration courts and others.

At present, arbitration courts are separated in Ukraine from courts of justice.

According to the Supreme Court of Ukraine, there are 336 vacant positions of judges of district (municipal) courts out of a total of 3418 provided for in Ukraine, plus another 323 vacant offices of judges of regional courts out of 1156, thirteen vacant positions out of eighty-five of Judges of Ukraine's Supreme Court and 67 vacancies out of 179 in tribunals.

The meeting of the Consultative Committee also covered issues pertaining to reforms in investigative bodies and role and functions of public prosecutor offices in the system of government bodies.

### Moroz at Odds With President Kuchma Over Land Reform

*LD2912210095 Moscow ITAR-TASS World Service in Russian 1621 GMT 29 Dec 95*

[By ITAR-TASS correspondents Mikhail Melnik, Raisa Stetsyrua]

[FBIS Translated Text] Kiev, 29 Dec (ITAR-TASS) — If we start selling land, in six months' time we will destroy virtually every agricultural enterprise in Ukraine. So I do not agree with the president that land should become a commodity," Oleksandr Moroz, the chairman of Ukraine's Supreme Council, told ITAR-TASS in an exclusive interview today.

The idea behind the national program for developing agriculture, which is currently being drafted and was outlined this week at a national conference on the issue, is erroneous. "False theoreticians on land reform are pushing the idea of breaking up the collective farms with what looks like an attractive share scheme," Moroz said. "But this amounts to 'unjust distribution of land'."

Land can only be claimed by those who work it, according to the speaker. In other words, teachers, doctors, and social workers living and working in the countryside will not be able to buy land, since it is shared out only among agricultural producers. But that will also be unjust distribution. As the speaker said, if someone decides to use his plot in the middle of a multihectare field, how is he going to lay roads to it, or if necessary communication lines?

The "president's thinkers," Moroz said, "are pushing at a door that is not open but off its hinges altogether." The country has a legislative framework for just exercise of all kinds of ownership, private included, over land. "But I remain against the idea of turning land into something to be bought and sold," the speaker stressed. He believes that thought should be given not to reorganizing the collective farms, but to the relationship between state and countryside.

### Moroz: 'Legislation' Not 'Presidential Decree'

*LD2912193795 Kiev UNIAN in Ukrainian 1620 GMT 29 Dec 95*

[FBIS Translated Text] Kiev — "Land relations in Ukraine should be regulated by legislation rather than by presidential decrees. One person does not have the right to assume responsibility for resolving such fundamental issues," Ukrainian Supreme Council Chairman Oleksandr Moroz told journalists today.

A UNIAN correspondent reports that the parliament chairman emphasized that the right to private ownership of land is envisaged by Ukrainian legislation, in accordance with which 25 percent of land has already been transferred to nonstate ownership. However, Oleksandr Moroz noted, "pseudo-theoreticians of land reform are imposing the idea of bringing down the collective farms through the superficially attractive distribution of land shares," which could lead to the destruction of all suburban farms within six months.

Oleksandr Moroz is convinced that "at present there is not even a draft national program for developing the agro-industrial complex," while the draft program proposed at the all-Ukrainian conference on 26-27

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December, was not a national concept, which should set tasks for all sectors of the national economy and banking structures for a comprehensive resolution to rural problems.

### 'Reforms' Faction Leader Looks to Future

*WS2912110195 Kiev INTELNEWS in English 0144 GMT 29 Dec 95*

[By Natalya Petyakh, "Special to INTELNEWS"]

[FBIS Transcribed Text] Kiev, Dec 27 (INTELNEWS) — The Reforms faction in Parliament is outgrowing its political club image and is developing a strong regional following, faction leader Serhiy Sobolyev said.

Speaking at a joint press conference with Ukrainian Prospect Fund organizer Serhiy Odarych, Sobolyev said Reforms will base its future strategy on economic pragmatism, centrist political behavior and Ukraine's national interest. Reforms is the most powerful group in Parliament backing President Leonid Kuchma's economic program, with about 40 deputies.

Odarych said the Reforms-supported centrist bloc "We," the Communist party of Ukraine, and the Rukh party are the only parties with a good chance to win more than 5 percent of the national vote in the next parliamentary election.

Odarych said the current electoral system, which does not use party lists, favors representatives of power structures and financially established candidates.

Sobolyev said Ukraine lacks a unifying national philosophy that could give birth to a political movement on a nationwide scale, and as a result, centrists "will have a guaranteed majority after the next election." He said politics in Ukraine is dominated by "regional layers of politically active people."

### Details on Death of Supreme Council Deputy Reported

*WS2912093595 Kiev INTELNEWS in English 0144 GMT 29 Dec 95*

[By Oleh Poltavskiy and Oleh Leus, "Special to INTELNEWS"]

[FBIS Transcribed Text] Sevastopol, Dec 28 — Heorhiy Shevchenko, a 64 year-old Communist who won a Dec. 10 by-election to represent Sevastopol's 45th election district in Parliament, was found dead in his apartment on Wednesday, according to the Internal Affairs Ministry.

According to some local media reports, the death was caused by poisoning with carbon monoxide poisoning. Some of his Communist colleagues are suspicious that the death may be the result of a political murder. Other reliable sources in Sevastopol reported that the dead body of a young woman was also found in the apartment.

Police have launched an investigation.

Shevchenko, who won 56 percent of the vote to capture his district in the first round of the by-election, was a Communist Party city committee department chief and executive secretary of the Union of Hero Cities.

In his campaign, Shevchenko promised to fight for the reconstitution of a united state to take the place of the Soviet Union. He also called for the abolition of the December 1991 Belovezhskiy agreements, which recognized the independence of Ukraine and Belarus and led to the immediate breakup of the USSR.

He also promised to fight for the preservation and strengthening of a united Black Sea Fleet, with Sevastopol as its main base, and against Ukraine's joining the North Atlantic Treaty Organization.

He was a former sailor in both the Black Sea and the North fleets, and also served for a time in Soviet military intelligence.

His death will leave Ukraine's Parliament with a total of 32 vacant seats. The Central Electoral Commission announced earlier this week that by-elections will be held for 31 of these constituencies on April 7.

### Support for Independence From USSR Reportedly Falling

*AU0201143996 Kiev DEMOKRATYCHNA UKRAYINA in Ukrainian 28 Dec 95 p 1*

[Report by Oleksandr Stehniy, SOTsIS-Gallup leading research associate and candidate of historical science: "Loves — Loves Not. Ukrainian Statehood: A View of Public Opinion"]

[FBIS Translated Text] Ukraine has recently marked the fourth anniversary of the proclamation of its independence. The results of the November study have sent a quite alarming signal: Compared with 1991, the percentage of supporters of Ukrainian independence has considerably decreased. In particular, only 43 percent of respondents currently favor independence, whereas 34 percent are negatively disposed, and 14 percent are indifferent.

The negative attitude toward independence exhibited by almost 50 (45) percent of respondents is due to the deterioration of the economic situation in Ukraine over the last four years. For a considerable part of

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the population, the support for independence in the referendum on 1 December 1991 was an expression of the desire to achieve the level of well-being of industrially developed Western countries.

It would, however, be short-sighted to explain the negative attitude to independence by economic problems alone, since almost 25 percent of the respondents expressed their dissatisfaction irrespective of an assessment of the economic situation. An analysis of the results by regions has habitually shown that the most negative attitude is voiced by residents of the eastern region and the Crimea (57 and 54 percent, respectively), and the northeastern region (48 percent).

And of course, the western and northwestern regions, as well as Kiev, where the number of supporters of independence exceeds 70 percent (in Galicia it is as high as 85 percent), remain bastions of support for independence.

The results may, to a certain extent, be accounted for by the influence of the ethnic factor: the ethnic origin of the respondents and the level of their national self-identification. Whereas 52 percent of the Russians polled show a negative attitude toward Ukrainian independence, fewer than 30 percent of Ukrainian respondents have this attitude. It is also of interest that, according to the respondents, differences between regions are mainly in the language of communication and political orientations (33 and 31 percent, respectively), as well as in cultural traditions (23 percent).

It must be pointed out separately that one in every five respondents perceives himself as a "Soviet citizen," 44 percent regard themselves largely as residents of their populated area, and only 54 percent feel Ukrainian citizens. On this question, the percentage exceeds 100, because respondents could select more than one response.

It is also of interest that in rural areas independence is perceived more positively than in the towns. Whereas in the towns the number of adherents to independence practically equals the number of its opponents (fluctuations being at the level of between 2 and 5 percent), in the villages there are 13 percent more supporters of independent Ukraine than opponents.

Thus, the process of building the Ukrainian state proceeds concurrently with the intensification of the economic crisis. If independence continues to be associated in the consciousness of a considerable number of our citizens with the deterioration of the material situation and personal safety, it is quite possible that strong separatist tendencies will emerge, as well as attempts to restore [Soviet] Union structures. A threat to the concept of independence comes from hampering economic transformations and, therefore, the state must give decisive support to economic reform. Otherwise, it will be extremely difficult to rescue the notion of Ukrainian independence from being discredited in the eyes of the people.

### 'Pro-Moscow Forces' Behind Possible Defense Reshuffle

*LD2912214195 Kiev UNIAR in Ukrainian 2000 GMT 29 Dec 95*

[FBIS Translated Text] Kiev, [no date as received] — Commenting at a UNIAR correspondent's request on the possible dismissal of Colonel General Anatoliy Lopata, the head of the Ukrainian Armed Forces' general staff, an official in the Defense Ministry apparatus — a colonel who asked to remain anonymous — said that Moscow has had an interest in this matter for almost two years now. According to him, the current Russian Defense Minister Pavel Grachev has several times demanded that Ukrainian Defense Minister Valeriy Shmarov appoint the land forces commander, Colonel General Vasyl Sobkov, chief of the Ukrainian Armed Forces' general staff.

According to Mariya Vlad, who has been working at the Defense Ministry's sociopsychological service for some time — since the first Ukrainian defense Minister Kostyantyn Morozov — the only person who can now do something for the Ukrainian Army is Colonel General Lopata. In Vlad's opinion, it is for this very reason that pro-Moscow forces in the Ukrainian Defense Ministry are endeavoring to remove him from his post.

### Transfer of Black Sea Fleet Property Delay Explained

*LD2912194295 Kiev UNIAN in Ukrainian 1620 GMT 29 Dec 95*

[FBIS Translated Text] Sevastopol — Captain First Trank Volodymyr Kuzmin, the first deputy Chief of Staff of Ukraine's Navy, told journalists today that the Ukrainian Navy commission was continuing to work in accordance with accords reached earlier on accepting military encampments, facilities, equipment, and other Black Sea Fleet military property.

A UNIAN correspondent reports that Kuzmin said that the main reason why the dates set for the transfer of Black Sea Fleet facilities in the schedule signed by the Ukrainian and Russian defense ministers in Sochi were not being adhered to in full was the unsatisfactory state of the facilities, military equipment, and property.

According to Kuzmin, the commission has been seriously hindered in its work because at many facilities

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the Black Sea Fleet has not been giving inventory information on time. Kuzmin said another complication was the considerable amount of disassembled equipment and arms and the complete lack of reserves of fuel and lubricants on ships and vessels to be transferred to the Ukrainian Navy.

**Daimler-Benz Opens Mission in Kiev**

*AU2912103395 Kiev URYADOVYY KURYER in Ukrainian 23 Dec 95 p 7*

[Report by Oleh Oliynyk assisted by Dr. Dieter Reining, chairman of the Daimler-Benz in Ukraine: "Daimler-Benz in Ukraine"]

[FBIS Translated Text] Daimler-Benz has come to Ukraine. The world renowned concern — one of the giants of the European economy — has occupied a position in the new market that is developing and which, while going through growing pains, is very promising for foreign investors.

Matthias Kleinert, Daimler-Benz general commissioner, pointed out at the formal opening of the mission in Kiev that, in his opinion, the worst stage of inflation and decline of production in Ukraine has been passed and, therefore, possibilities for full-fledged partnership are opening up.

Which are the most promising trends? This is Mr. Kleinert's answer to the question asked by URYADOVYY KURYER:

"With the start of President L. Kuchma's economic reforms, your market is becoming increasingly open. Our concern manufactures vehicles for the three elements: Land, sky, and water, and we are sure that we will see, in Ukraine, readiness to cooperate. There already are specific results, in particular, "Mercedes" has automobile sale-center services and stations in Kiev and Dnipropetrovsk, and next year, we are planning to open them in Odessa and Mukachevo. In Ukraine in 1995 we sold 150 trucks and 80 "Mercedes" minibuses and hope to be able to double these amounts. We are having talks on reconstructing airports in Kiev (Boryspil) and in Odessa and also on modernizing electric transportation.

It is clear to us that it will be difficult to work on your market without direct investments. We are ready to work on a project for joint manufacture of electric locomotives in Ukraine.

In summer of 1995, President L. Kuchma visited our concern in Germany. We are pleased that the accords reached at that time are being implemented and that one of Europe's largest concerns — Daimler-Benz — is opening a mission in one of Europe's largest states.

For reference: In 1994, the Daimler-Benz group achieved a turnover of 100 billion German marks [DM]. A total of 330,000 people, including 250,000 in Germany, work at "D-B." Altogether 290,000 people work under the sign of the three-pointed star — at the Mercedes-Benz concern, whose overall turnover reaches DM70 billion.

The Mercedes-Benz accounts for 1.6 percent of the world automobile manufacture. In particular demand is the standard-class model. Since mid-1993, 500,000 such cars have been manufactured. Special luxury cars are also manufactured there. Incidentally, such a car with the Daimler-Benz emblem was given to President L. Kuchma during his recent visit to London. "D-B Aerospace," jointly with the European consortium, manufactures the Airbus A-321 and A-319 (they are assembled in Hamburg) and carries out a number of space programs. The "AEG D-B Industry" is the production of energy distribution systems, electronic appliances, diesel aggregates, and rail electric transport. The "D-B Interservice," which performs functions of a trading house is the fourth constituent.

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## Belarus

### President Signs Draft 1996 Budget, Speaks on Policies

*WS0101121196 Minsk BELAPAN in English 0809 GMT 1 Jan 96*

[FBIS Transcribed Text] On the evening of December 28 President Alyaksandr Lukashenka signed the Decree "On the State Budget Estimates of the Republic of Belarus for 1996." The document was signed at the official country residence at Zaslawye with the attendance of high-ranking government officials. The President also signed a Budget Message to the Supreme Soviet. Alyaksandr Lukashenka pointed out that "this is the first message from the Head of State and our executive power to the legislative power".

Work on the draft State Budget Estimates as well as the draft Programme of the Socio-economic Development of the Republic and the Guidelines of Monetary and Credit Policies was done by the Presidential Administration, ministries and departments. According to Mr Lukashenka, proposals of scientists, directors of enterprises in the state sector of the economy and private managers were taken into consideration.

Making a speech at the Zaslawye conference the President spoke a lot about the necessity to speed up the structural reconstruction of the economy, but he did not mention any radical steps for this purpose. There were a great deal of mere verbiage about the necessity to stimulate production, attract investments, introduce high technologies, and support education, science, culture and health service.

The President promised financial support at the beginning of 1996 to many strata of the population from students to pensioners. In addition Mr Lukashenka said that in January 1996 the state will pay off all debts in wages. "1996 must become a crucial year in overcoming the crisis, and a year of positive changes," the President said.

In conclusion he urged those present not to lose time and concentrate every effort to solve key problems and organise well- adjusted work of all levels of executive power.

### Industrial Trade Unions To Continue Strike Preparations

*WS0101103796 Minsk BELAPAN in English 0809 GMT 1 Jan 96*

[FBIS Transcribed Text] The Association of Independent Industrial Trade Unions of Belarus (AIITUB) has made it clear that they will continue to prepare for a national strike. Thus the Association differs in opinion from the leadership of the Federation of Trade Unions of Belarus (FTUB) which recently decided to wait a little with actions of protest.

As a BELAPAN correspondent was informed at the AIITUB Headquarters, the demands the Association makes from the state leadership and the idea of a national strike was backed at general worker meetings at many enterprises, including large production amalgamations, such as Haryzont, Intehral, Homselmash and the Minsk Wheeled Tractor Factory.

The leaders of the Association do not rule out that the strike will break out spontaneously as at a number of enterprises wages have not been paid out since October or November.

## Moldova

### Official Calls For Multinational Peacekeepers in Dniester

*AU2912203195 Chisinau INFOTAG in English 2110 GMT 28 Dec 95*

[FBIS Transcribed Text] Chisinau, December 28 (INFOTAG). The Moldovan delegation in the Joint Control Commission (JCC) considers it as non-acceptable to transfer the peacekeeper powers from the current Russian peacekeeper unit to certain subdivisions of the Dniester-deployed Russian contingent.

The delegation issued a statement today saying that Moscow's proposition, made this year by Lt. Gen. Aleksandr Sokolov, deputy commander of the Russian Land Force, cannot be accepted "due to a certain politicization of the contingent servicemen, and their failure to remain unbiased to the two conflicting sides."

For an argument, the statement contains facts of violating the neutrality by the Russian troops: hand-over of weaponry and combat machinery, and even certain military objects, to the illegal Tiraspol regime, or joint Russian-Dniester field exercises. With the connivance of the Russian peacekeepers, Dniester border guard units and other military formations have been deployed in the security zone, which escape control of the JCC.

"The Russian peacekeepers' activities fail to meet the UN/OSCE [Organization for Security and Cooperation in Europe] standards," the statement reads. "And the Dniester-based Russian contingent has began training Dniester personnel for subsequent participation in Russian peacekeeper operations."

The Moldovan delegation appealed to the Russian JCC co-chairman with a request to inform the Russian Defense Ministry on the inadmissibility of using the

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Russian contingent in the peacekeeping mission in Moldova's eastern districts.

The statement contains a request to the Moldovan leadership to study a possibility to replace the current peacekeeper units in Dniester with a multinational force under the UN/OSCE aegis. Such units may, certainly, include Russian personnel — but already under an international control, says the document.

The Moldovan delegation requests the OSCE permanent mission in Moldova to promote more actively in settling the Dniester conflict, and to inform the OSCE chairman on the Moldovan delegation's stance.

"Time is ripe for signing a new Moldovan-Russian convention on the Dniester problem," Eugen Vizir, the Moldovan Foreign Ministry's representative in the JCC, stated at today's press conference. The basic agreement signed by Presidents Snegur and Yeltsin on 21 July 1992 has been largely implemented, as its chief objective was to cease the armed conflict, Mr. Vizir said.

"To maintain a further stability, the sides need to conclude a new and more concrete document. This problem should become a key topic at the next bilateral presidential summit," the diplomat stressed.

The summit was supposed to be held last November, but was put off due to Yeltsin's illness. Supposedly, it will take place in the framework of the two presidents' meeting scheduled for 19 January. So far, there are no outlines of such a document. Moldova is looking forward to receiving, at the January meeting, Yeltsin's principle consent to sign such a convention. After which it will be drafted without delay, with an account of the available recommendations of the JCC, Eugen Vizir said.

### Russian Deputy Opposes Pullout

*AU2912210695 Chisinau INFOTAG in English 2110 GMT 28 Dec 95*

[FBIS Transcribed Text] Tiraspol, December 28 (INFOTAG) — Russian State Duma Deputy Oleg Mironov (Communist Party), who headed the Duma delegation at the Dniester elections and referenda, has voiced his categoric "no" to removing the Russian troops from the separatist region.

Oleg Mironov had a meeting with the Russian contingent servicemen on Wednesday [27 December], and stated that "if the army leaves the region and Dniester is absorbed by Moldova, then NATO will approach the Russian border."

"This is inadmissible. Dniester is a Russian land, and an officially recognized zone of Russian strategic interests. Russia must be present here, and provide for peace and its own security."

The delegation head pointed out "strong pro-Russian sympathies in the region," and emphasized that "in Tiraspol it is impossible to feel abroad."

Mr. Mironov has practically stated the recognition of the self- styled Dniester Republic. "Our presence at the elections and referenda is kind of a proof that Dniester is a settled, independent state. Time is working in favor of the Dniester Republic. The diplomatic blockade shall be broken through," the Russian observer stated.

The Dniester Parliament has handed to the leaving guests a message to the new Russian State Duma, which contains a request to recognize de jure the statehood of the Dniester Moldovan Republic.

### Parliament Denies Obstructing Dniester Settlement Talks

*LD2912211895 Moscow ITAR-TASS World Service in Russian 1240 GMT 29 Dec 95*

[By ITAR-TASS correspondent Valeriy Demidetskiy]

[FBIS Translated Text] Chisinau, 29 Dec (ITAR-TASS) — The Moldovan Parliament today described as "groundless" the accusation made by President Mircea Snegur who believes that the parliament is obstructing the talks on settling the Dniester problem.

The Moldovan president's dissatisfaction was caused by the fact that last week the deputies set up a commission that was to investigate the reasons for the Dniester conflict and for the hostilities in summer 1992. Snegur also accused parliament of not giving an adequate assessment of the elections and referendum that took place in the Dniester area on 24 December, which the official Chisinau had deemed illegal.

A statement circulated today by the parliament's standing bureau says that the echo of the armed conflict is still alive in people's memory and that it is the deputies' constitutional right to sort out this difficult problem.

### Rejects Snegur Accusations Against Lucinschi

*AU2912210795 Chisinau INFOTAG in English 1930 GMT 29 Dec 95*

[FBIS Transcribed Text] Chisinau, December 29 (INFOTAG) — "We have learnt with astonishment and deep regret about accusations aforwarded by President Mircea Snegur against the Parliament and its chairman," reads the official press release issued today by the permanent bureau of the Moldovan Parliament and parliamentary committee heads.

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"Attempts to generate a discord in Parliament and public have been growing in number recently, which stands testimony to the president's persistent efforts to arrogate the exclusive right for truth.... His accusations have become systematic and particularly strong after Mr. Snegur quitted the Democratic Agrarian Party of Moldova and became head of the Party of Revival and Accord," wrote the legislature.

"We never wanted to be involved in a political marathon ignoring democratic norms, and do not want it now. We just wish to cast light on the position of the Moldovan president," the document says.

The parliament leadership points out that the legislative forum is being accused of "establishing a commission to find out the true reasons of the Dniester conflict, including the 1992 armed clashes, though this is the forum's constitutional right." Such accusations seem especially strange after Mr. Snegur's speech in Parliament on 7 November, when he called the deputies: "Either we, at last, agree on stopping these debates, or you please begin consultations, and if Parliament is really interested in the matter, let us return to this problem and consider it once again — from the very beginning till the very end."

"The accusations — that the Parliament chairman had, allegedly, failed to make an appropriate assessment of the non-constitutional Dniester elections — are unfounded, because he made several statements on the issue focusing public attention on the illegitimacy of the elections and referenda in the eastern districts."

"At the same time, we believe that Petru Lucinschi's appeal to Dniester inhabitants to support at the elections the healthy forces which seek to promote the problem solution indicates the parliament leadership's wish to speed up the conflict settlement. The president's liberal interpretation of this appeal indicates his reluctance to recognize the speaker's realistic position, and to comprehend the essence of the events in Dniester," the document reads.

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## Kazakhstan

### Nazarbayev Issues Decree on Presidential Powers

*LD2812153795 Moscow ITAR-TASS World Service in Russian 0656 GMT 28 Dec 95*

[FBIS Translated Text] Almaty, 28 Dec (ITAR-TASS) — The decree by Kazakh President Nursultan Nazarbayev "On the President of the Republic of Kazakhstan," which has the force of constitutional law, was carried by the local press today. It defines the president's status, powers, the procedures for relieving him of his presidential post or for his resigning before the term of office expires, as well as the legal backing of presidential activities. The president is elected for the term of five years. The same person cannot be elected president more than twice in succession.

The decree says that the head of state has no right to be a deputy of a representative body or occupy any other paid posts or be engaged in entrepreneurial activities. He should suspend his involvement with any political party during his time in office.

The president can be relieved of his post by parliament before his term of office expires if he displays consistent inability to perform his duties because of illness. The issue of the president's resignation cannot be raised during a period when the president is examining the issue of dissolving parliament before the end of its term.

If the president is relieved of his post ahead of time or if he resigns or dies, the speaker of the Senate will take over temporarily. If the speaker is unable to assume presidential duties, the prime minister is next in line. In this instance, extraordinary presidential elections should be held within two months of the event.

The decree also defines the status and rights enjoyed by former presidents of the republic. In particular, they have the right to remain permanent members of the republic's Constitutional Council for life. Attempts to defame the former president's honor and dignity are liable to prosecution.

### Sets Up State Investigative Committee

*LD0101184896 Moscow NTV in Russian 1600 GMT 1 Jan 96*

[from the "Segodnya" program]

[FBIS Translated Text] By order of President Nazarbayev, a state investigative committee [gosudarstevennyy sledsvtennyy komitet] was formed in Kazakhstan today. It is subordinate to him alone. Nazarbayev has been nurturing this idea for a long time now. He calls it reducing things to a common denominator.

[Begin Nazarbayev recording] The president, as the guarantor of the constitution, of people's rights and freedoms, is at the highest branch of power, organizes coordinated work in that branch of power, and gives every branch of power a sense of responsibility if it destabilizes the situation in the country. Therefore, between the three branches of power, that is, the legislative branch, the government, and the legal and judicial system, there will be special balances and counterbalances. [end recording]

[Announcer] Under the decree, which comes into force today, the new committee is directly subordinate and accountable to the president alone. Now inquiries, investigations, and investigative operations, and the functions arising from them, have been handed over to one and the same hands and will be carried out only by this investigative committee. It is not yet clear how parliament and the opposition parties will react to this.

### Nazarbayev, Israel's Peres Sign Accords

*LD2712144195 Moscow ITAR-TASS in English 1423 GMT 27 Dec 95*

[By Anatoliy Kerzhentsev]

[FBIS Transcribed Text] Tel Aviv, December 27 (ITAR-TASS) — Israeli leader Shim'on Peres and visiting Kazakhstan President Nursultan Nazarbayev on Wednesday signed a "Declaration on Basic Principles of Relations" between the two countries.

The sides also signed other agreements in the field of agriculture, healthcare, and environment protection.

Addressing the Israeli parliament, Nazarbayev stressed that Kazakhstan is interested in the development of economic cooperation with Israel. He expressed confidence that the Middle East peace process would be useful for all the peoples in the region.

Kazakh Defence Minister Sagadat Nurmagambetov who accompanied the president had a substantial talk with the Israeli Deputy Defence Minister Uri Or on the questions of further development of military ties between the two countries. He also visited several defence enterprises.

Nazarbayev arrived in Israel on Tuesday [26 December] for a three-day official visit heading the delegation of 110 people.

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### Signs Agreements With 'Arafat

*LD2912112795 Almaty Kazakh Radio First Program Network in Russian 0400 GMT 29 Dec 95*

[FBIS Translated Text] The second day of the visit to Israel by President Nursultan Nazarbayev was full of important meetings and talks.

In the morning, at his residence, he received the head of the opposition Likud party, Binyamin Netanyahu. The conversation took place behind closed doors.

The leader of our republic also held talks with Prime Minister of Israel Shim'on Peres. During the talks, prospects of further developing bilateral and mutually beneficial economic cooperation were discussed. Later on, the talks continued with the participation of the members of the official delegation. As a results of the talks, Nursultan Nazarbayev and Shim'on Peres signed a declaration on principles of relations between Kazakhstan and Israel.

Foreign Ministers Qasymzhomart Toqayev and Ehud Baraq signed agreements on mutual protection of investments and on encouraging these along with cooperation in the fields of environment protection, health care, medical equipment, agriculture, and the processing industry.

Answering journalists' questions, the head of our state and the Israeli prime minister noted that an important step in intensifying bilateral ties had been made. Nursultan Nazarbayev also announced that it was decided to set up a joint economic commission and that its main task would be to promote the implementation of the agreements that have been reached.

The same day the president of our republic met representatives of Israel's business circles. The heads of major enterprises and associations and entrepreneurs of Kazakhstan, who arrived in this country together with Nursultan Nazarbayev to establish contacts with their colleagues, attended the meeting. Kazakhstan's leader spoke about the reforms being carried out in our republic and about its huge economic potential. The young sovereign state's aspiration to develop mutually beneficial relations with various countries, including Israel, he stressed, is supported by the stable social and political situation in the country.

Having finished the official part of his visit, the Kazakh leader accompanied by his wife made for the residence of Israeli President 'Ezer Weizman, where the seeing-off ceremony took place.

Afterwards, at the invitation of Yasir 'Arafat, president of the state of Palestine, chairman of the Executive Committee of the PLO, and chairman of Palestine's national government, Nursultan Nazarbayev visited that country. During the talks between them, issues of bilateral relations and topical regional and international problems of mutual interest were discussed. As a result of the talks, an intergovernment agreement on economic cooperation and cooperation in the fields industry and culture was signed. The president of Kazakhstan invited Yasir 'Arafat to pay an official visit to our republic. Its terms are to be determined through diplomatic channels.

Speaking to journalists, Nursultan Nazarbayev noted that his first visit to the city of Gaza is taking place on the eve of important events in the life of the Palestinian people as the country's national administration takes over government of a number of territories. He highly appreciated the pragmatism and wisdom of Palestinian and Israeli leaders who found an optimal way out of this conflict which goes back many years.

Late in the evening on 28 December Nursultan Nazarbayev and officials accompanying him left for home. On the way to Almaty, the president made a stopover in Aktyubinsk.

### Foreign Ministry Rejects Iran Sanctions Participation

*LD3012183695 Tehran IRIB Television First Program Network in Persian 1730 GMT 30 Dec 95*

[FBIS Translated Text] Kazakhstan has reiterated that it will never join the U.S. economic sanctions against the Islamic Republic of Iran.

The Kazakhstan Foreign Ministry said the Almaty government enjoys friendly cooperation with Tehran and will never join the intended U.S. sanctions or any other form of sanction against Iran.

The U.S. plan for reinforcing economic and trade sanctions against the Islamic Republic of Iran has met with the opposition and negative reaction of most countries.

### More on Rejection of Sanctions

*LD3012210595 Tehran IRNA in English 2007 GMT 30 Dec 95*

[FBIS Transcribed Text] Almaty, Dec. 30, IRNA — The Kazakhstan Foreign Ministry reiterated on Saturday that Almaty will never join the U.S. trade sanctions against Iran.

A senior Kazakh Foreign Ministry official, noting that the Almaty government has established friendly ties and multilateral cooperation particularly in the economic area with neighboring countries such as the Islamic Republic of Iran.

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He added that his government will join neither trade nor any other sanctions dictated by U.S. statesmen against Iran.

He also categorically dismissed the allegations of the U.S. and the Zionist regime that Iran was trying to procure from the former Soviet states, the know-how for producing nuclear weapons.

Saying that his country had signed the Non-Proliferation Treaty (NPT) and is committed to the treaty, the senior official who asked not to be quoted by name, said Kazakhstan has no atomic weapons and those that were placed on its soil by the former Soviet Union have long been gathered.

### President on Importance of Political Developments in 1995

*LD3012153895 Moscow INTERFAX in English 1342 GMT 30 Dec 95*

[FBIS Transcribed Text] Almaty, Dec 30 (INTERFAX) — This year was saturated with highly important political developments in Kazakhstan, Kazakh President Nursultan Nazarbayev told INTERFAX.

It was a year of a referendum on the extension of Nazarbayev's mandate for another five years and a constitutional referendum, as well as a year of parliamentary elections. Few countries go to the polls three times a year, Nazarbayev said.

Only if it has been endorsed by the nation as a whole, a constitution may become the nation's fundamental law, Nazarbayev said in reference to Kazakhstan's new Constitution which came to replace the constitution of 1993 adopted by the Kazakh legislature.

This year marks a watershed in the moves for macroeconomic stabilization, Nazarbayev also said. The Kazakh reform has gained such speed that no one will be able to turn it back. Its present achievement will enable Kazakhstan to boost economic advance "for the improvement of the people's living standards," he said.

In response to a question on prospects for CIS integration, Nazarbayev said "there would be much talk of, but little action on, CIS integration."

New Year's Eve is one of Nazarbayev's favorite holidays. Nazarbayev described himself as an outgoing person who enjoys good company and said he would see the new year in the company of his children, grandchildren, close relatives and friends. Now that he is head of state, Nazarbayev "cannot help sharing all the joys and problems of his people" and wishes, "first and foremost, all the best to Kazakhstan."

### Lower House of Parliament Reaches Quorum

*LD2912210595 Moscow ITAR-TASS World Service in Russian 1612 GMT 29 Dec 95*

[FBIS Translated Text] Almaty, 29 Dec, (ITAR-TASS) — Kazakhstan's Central Electoral Commission has registered a further 25 deputies to the Mazhlis, the lower house of the new standing parliament. Twenty-two of them were elected in the run-off voting held on 23 December in 24 single-mandate constituencies, and three after the commission had carried out additional checks of results from the primary round of voting to the house, held on 9 December. There are now seven vacant seats in the Mazhlis, out a total of 67. But this will not stop it from getting down to work, because it is now quorate.

The senate — upper house — is also empowered: 38 out of 40 seats have been filled. Seven more members will be appointed by the president. Run-off elections for the outstanding seats no longer have any decisive significance. The new legislature is not expected to begin work until at least the end of January 1996.

## Tajikistan

### Opposition Leader Proposes Reconciliation Council

*LD3012080795 Tehran IRNA in English 0732 GMT 30 Dec 95*

[FBIS Transcribed Text] Tehran, Dec. 30, IRNA — A leading Tajik opposition leader said that a 'national reconciliation council' could be the 'most suitable' solution to the two-year civil war in Tajikistan.

In an interview with the English-language daily 'IRAN NEWS' printed Saturday, the number two man in the Tajik Islamic Movement Akbar Turadzhonzadeh said the present Tajik parliament should be disbanded and "the proposed council should take on some of the functions of the country's legislative body."

The present Tajik parliament was elected last February for which no international observer was present and the opposition Islamic Movement never expressed an interest in taking part in the elections, he told the paper.

On talks between the Tajik Government and the opposition groups, he said, "the Ashgabat talks were difficult and complicated as the representatives of the government of Rakhmanov were not ready to discuss the country's political issues."

He added that the Dushanbe government was ready to discuss political issues through the Tajik People's Advisory Congress which was not acceptable to the opposition.

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Iran, Pakistan, Russia and the U.N. are the observers in the negotiation.

He concluded that the fifth round of talks will continue and tentative dates have been proposed starting from January 15.

**Prime Minister Signs Economic Agreement With FRY**

*LD3112154495 Moscow INTERFAX in English 1343 GMT 31 Dec 95*

[FBIS Transcribed Text] DUSHANBE, Dec 31 (INTERFAX) — Tajik Prime Minister Jamshed Karimov and Prime Minister of the Union Republic of Yugoslavia Radoj Kontic have signed an agreement on trade, economic cooperation and on the creation of an inter-government committee for trade, economic and scientific-technical cooperation.

Press secretary of the Tajik president Zafar Saidov told INTERFAX on Sunday that the documents had been signed in Belgrade during the visit to the city on December 26-28 of the Tajik prime minister. Karimov and Kontic expressed satisfaction over the development of bilateral relations, said Saidov.

According to him, the two sides agreed that the two countries' governments would encourage the development of economic and financial cooperation in the sphere of culture, education, science and technology.

An understanding was reached on technical assistance in the restructuring of the agro-industrial complex, the textile and pharmaceutical indistries of Tajikistan.

During the visit the prime minister met with President of the Union Republic of Yugoslavia Zoran Lilic. They exchanged views on the bilateral cooperation.

During his stay in Belgrade Karimov also met with Montenegro's Prime Minister Milo Djukanovic, and Minister-Coordinator of the Serbian Republic Dragan Domic.

**Ministry Says 7,000 Refugees Remain in Afghanistan**

*LD3012082395 Dushanbe Radio Tajikistan Network in Tajik 0500 GMT 30 Dec 95*

[FBIS Translated Text] On the eve of the New Year, 47 Tajik refugees have returned from Afghanistan to their permanent homes via the Sherkhan-Bandar/ Nizhniy Pyandzh control checkpoint. According to the Foreign Ministry's information department, the returned refugees are mainly residents of Khatlon Region and Dushanbe. Since the beginning of the measures to adjust the repatriation process, more than 700,000 locally displaced refugees and more than 60,000 refugees who sheltered in foreign countries have returned to their own areas, according to a UN report.

UN Secretary General Butrus Butrus-Ghali emphasized this in his report on the situation in Tajikistan to the Security Council on 8 December this year. First Deputy Prime Minister Mahmadsaid Ubaydullayev, head of the government delegation at the inter-Tajik negotiations, told a recent news conference it is wrong to talk of millions of refugees, as opposition leaders often do these days. According to him, only 7,000 refugees remain in Afghanistan, and their fate is of concern to us, he noted.

**Situation on Afghan Border Remains Tense**

*LD0101120296 Moscow ITAR-TASS in English 1144 GMT 1 Jan 96*

[FBIS Transcribed Text] MOSCOW, January 1 (ITAR-TASS) — A Russian serviceman was wounded as rebels fired 16 missiles at Russian border guards on the Tajik-Afghan border on Sunday, a spokesman for the Russian border guard service told ITAR-TASS.

The situation on the border remained tense on Sunday. Rebels opened fire at the 12th frontier post of the Moscow detachment three times over the past twenty four hours. Border guards fired back.

Two unidentified persons were arrested at the seventh frontier post at 22:00 local time on Sunday. The two opened fire from a pistol while trying to break through in a car to the sixth post. Russian border guards fired at the attackers. One of the persons was wounded on the leg. The pistol and ammunition were confiscated. None of the border guards was hurt.

**New Power Stations Improve Supply of Electric Power**

*LD3112062195 Dushanbe Radio Tajikistan Network in Tajik 0500 GMT 30 Dec 95*

[FBIS Translated Text] A new 2,500 kwh transformer station was put into operation in Navobod village of Shugnan District. Supply of electric power to many inhabited areas was improved in Rayhon canyon. The Badakhshan power engineers have accomplished a huge volume of work this year. They put into operation two engines at the Pamir-1 hydro-power station. Similarly, a small power station was put into operation on the river bank in Vanch District. We should remind you that houses, departments, and establishments in the regional center [Khorog] are heated with electricity. This shows that the region's power engineers are carrying out their duties properly.

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## Turkmenistan

### Niyazov Sends Message of Thanks to Afghan President

*LD0101173496 Kabul Radio Afghanistan Network in Pashto 1530 GMT 1 Jan 96*

[FBIS Translated Text] Saparmurad Niyazov, president of Turkmenistan, has sent the following message of gratitude to Prof. Borhanoddin Rabbani, president of the Islamic State of Afghanistan, for his support for the neutrality of Turkmenistan.

Your excellency, the recognition of Turkmenistan as a neutral country under a UN resolution dated 12 December 1995 is a pleasing event. We are of the opinion that our neutral policy is not only in the interest of our people but also in the interest of our neighbors and friends. Many friendly countries, including your country [words indistinct] have supported us in this respect. I would like to thank you on behalf of myself and the people of Turkmenistan.

Turkmenistan will always back you. Our people have lived next to you as your good neighbors and have helped you. Afghanistan's support for Turkmenistan's neutral policy has been vital, and this will further expand the long-standing traditional friendship between the two countries. Taking this opportunity, I wish you health and the people of Afghanistan [words indistinct].

### President Niyazov Assesses Performance of Ministers

*964F0707A Moscow NEZAVISIMAYA GAZETA in Russian 21 Dec 95 p 3*

[Article by Grigoriy Kolodin: "The Turkmenbashi Examines the Ministers: Niyazov Is Familiar With the State of Affairs in Government Departments"]

[FBIS Translated Text] As promised earlier, on the eve of the meeting of the Khalk Maslakhaty (People's Council) scheduled for 27 December, Turkmenistan's President Saparmurad Niyazov embarked on hearings of the reports of branch leaders on the year's work.

The first "on the carpet" of the presidential palace were Mukhamed Abalakov, deputy chairman of the cabinet, and the heads of the departments over which he exercises stewardship—the ministers of health care and medical industry and education—and also representatives of science. Judging by the broadcast television fragments of this so-called examination the Turkmenbashi is well informed about the actual state of affairs. The leaders of the recently reformed Ministry of Health came in for a goodly share of criticism for being slow to implement the president's Health Program. And this despite the constant assistance on the part of the government and assurance of the requisite budgetary funding, to which have been added regular currency injections for purchases of prescription drugs, diagnostic equipment, and ambulances. In the opinion of the leader of the country, the main reasons for the shortcomings are the unscrupulousness of some of the medical personnel and those who are responsible for the distribution of medical preparations. There are empty shelves today even in the capital's drug stores, not to mention those of rural localities. At the same time, however, there is a brisk trade in prescription drugs on the black market. The president demanded a tightening of control here and a stricter reckoning with those who break the established rules.

The Turkmenbashi remained unhappy also with the work on the introduction of his idea of compulsory two-year alternative service for young students of the medical institute as attendants at medical institutions.

The question of the transition to the use of Turkmen as the sole official language, very painful for many strata of the population, was broached in the course of the minister of education's report. With his characteristic farsightedness in an evaluation of the likely development of events, Saparmurad Niyazov stated firmly that the transition to the Roman alphabet and the official Turkmen language at the start of next year which had been announced earlier did not correspond to realities and the interests of citizens of all nationalities. For this reason this process will gradually take place in the country over the next 18 months, when there will be the appropriate material and technical facilities, new textbooks will be published, and specialists and also the population will be trained. On the whole, speaking about personnel, the president considers it essential that account be taken in their training of Turkmenistan's conversion in the not-too-distant future into a major transit center on the shortest route between West and East.

Another deputy premier, Yagmur Ovezov, who is in charge of construction, transport, and communications, had a far harder time of things when he rendered account. The Turkmenbashi had made a thorough analysis of the work of the ministries of construction and architecture and construction materials industry. There was serious criticism of the inadequate enterprise of the leaders of the branches, who are failing to match world standards of the quality of the erection of construction projects, owing to which profitable foreign currency contracts are "sailing away" to overseas firms and considerable dollar funds are being spent on imports of construction materials which the republic is perfectly capable of producing itself. "You have it too easy," Niyazov rebuked the ministers. "There is no elementary calculation, a search for clients, a real transition to market

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mechanisms, or an endeavor to work in the interests of a rise in the people's well-being."

The Turkmenbashi promised to make a final evaluation of all branch leaders at the meeting of the People's Council—the country's main legislative body. At the same time, on the other hand, the heads of the most economically vulnerable departments in the present situation—the ministers of trade and agriculture and food—will have to take the examination in the next few days.

## Uzbekistan

### President on Afghan Issue, Relations With Russia

*LD3112064995 Tashkent PRAVDA VOSTOKA in Russian 30 Dec 95 pp 1-2*

[FBIS Translated Excerpt] The Traditional Meeting

Islam Karimov, president of the Republic of Uzbekistan, met leaders of diplomatic missions and international organizations accredited in our country and with the republic's and foreign correspondents on 29 December — the eve of the coming New Year — in the Kaynarsay residence in Tashkent Region.

The head of state gave New Year greetings to the diplomats and journalists. He told them about the changes that have taken place in Uzbekistan since their last meeting in August this year, about the strengthening of links between our country and states of the world community and international organizations, and about the attitude of the leadership of Uzbekistan to certain international and regional problems (Islam Karimov's speech at the meeting is published below).

The president of Uzbekistan gave detailed answers to the questions of the diplomats and journalists.

Oktir Sultanov, prime minister of Uzbekistan; Ismail Jurabekov, first deputy prime minister; presidential state councillors; the deputy prime ministers of the republic; and other officials attended the meeting.

### Our Sacred Goals — Peace, Stability, and Cooperation

The speech of President Islam Karimov at the meeting with the diplomatic corps and journalists accredited in Tashkent:

Dear heads of diplomatic missions, leaders of international organizations, representatives of the mass media, ladies and gentlemen! [passage omitted: New Year greetings]

I proposed to the UN Security Council that an embargo be placed on the import of arms into Afghanistan, whatever their provenance, at the 50th jubilee session of the UN General Assembly.

Unfortunately, the volume of arms supplies to that country has not fallen — indeed, it is still increasing.

The situation in and around Afghanistan has recently been developing in a particularly dangerous way. The open conflict of the geostrategic interests of various political powers and countries in this region is becoming completely obvious. [passage omitted: anniversary of Soviet invasion of Afghanistan noted]

With the passage of time, we sometimes begin to forget about history and the true causes of the Afghan tragedy and conflict. Obviously, we ought not to forget that it was precisely the imperial ambitions of the former [Soviet] Union that served as the detonator that blew the situation in Afghanistan apart.

Today as well, in our opinion, interference from outside is stoking the fire of Afghan confrontation, and pouring oil on it.

Uzbekistan, like other states in immediate proximity to the conflict zone, has the right to express its legitimate interest in guaranteeing its security.

Well-trained regular armies are fighting in Afghanistan today, in the ranks of which serve many mercenaries. The war in Afghanistan has thus become a new type of activity, in which "specialists" in destroying states learn their skills. [passage omitted: Afghan society is breaking down under the pressure; UN Security Council and world powers should make it center of attention, after efforts in Bosnia and Middle East]

I would like to emphasize that, unfortunately, not all nearby countries want to bring the attention, strength, and power of the great powers to this question. The conclusion is unavoidable that the present situation in Afghanistan entirely suits some people. [passage omitted: powers and regional states must work together to restore a sovereign, united Afghanistan]

In Central Asia, people understand perfectly that the stability of the region remains in jeopardy while the war continues in Afghanistan. The conditions of this war hamper the development of democracy and reform, and limit the socioeconomic possibilities of the entire region. [passage omitted: ecological cooperation at Aral Sea conference]

The Constitution of Uzbekistan is a guarantee of the development of democracy and the observance of human rights.

It is important to note that justice is being restored in this respect, the attitudes of the mass media are changing in

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terms of their assessment. As they become acquainted with the real situation and state of affairs in the country, just as Uzbekistan itself is opening up to the world, so too does subjectivity in assessments decline all the more.

To confirm my comments, I turn to the opinion of the Human Rights Watch delegation that visited here recently, led by its most prominent representative, Mr. Fonton.

After a series of meetings with representatives of political parties, social organizations and associations, centers for national culture and religious confessions, the visiting experts to Uzbekistan recognized that "the information being received on violations of human rights does not accord with reality."

Ladies and gentlemen,

I am, of course, far from trying to convince you that Uzbekistan is a model state in this respect. However, we do have the right to demand objective assessments of our reality.

[passage omitted: trade and economic cooperation with United States, Canada, Germany, European Union]

Our common economic space is still far from complete, but it is important that [Kazakh President] Nursultan Nazarbayev and [Kyrgyz President] Askar Akayev both understand that there is no alternative — as do I, the leader of Uzbekistan.

The level of relations among us — interstate and personal — is such that it easily falls prey to insinuations, among which I include the so-called "leadership problem" between Nazarbayev and Karimov.

These fabrications, which regularly appear in the Russian mass media, serve the specific concrete aim of obstructing the process of Central Asia unity. We understand, and we want the authors of the problem to understand, that their efforts are futile.

Ladies and gentlemen,

We are firmly sure that the stability and future of Central Asia depend on the level and quality of democracy in Russia. Therefore, along with wishes for the good health of [Russian President] Boris Nikolayevich Yeltsin, I would like to emphasize that in Uzbekistan, regardless of the results of the State Duma elections, people firmly believe that the path Russia has set toward reform and democracy is irreversible. [passage omitted]

Russia cannot help but be interested in having economically strong neighbors. According to this logic, the development of a single economic space in Central Asia does not contradict the interests of Russia and its CIS partners. [passage omitted]

On the subject of the CIS, it should be noted that within this [CIS] space we give preference to strengthening bilateral contacts, among which the undoubted priority is Russia.

The election campaign in Russia was marked by a large number of announcements touching on the foreign policy course of the Russian Federation in one way or another. This is not a matter of indifference to us.

I said it in Dzhambul [Uzbek-Kazakh-Kyrgyz summit on 15 December], and I say it again: we want to see Russia as a strong and democratic state. On this issue, Boris Nikolayevich Yeltsin can count on Uzbekistan.

I consider Yeltsin's opinion about the attempts to re-establish the USSR, as stated on the eve of the elections, to be decisive for the fate of the whole post-Soviet space. I stand side-by-side with the president of Russia when he says "the re-creation of the former [Soviet] Union will end in tragedy." [passage omitted on relations with Ukraine and Georgia coming along well; Happy New Year greetings]

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## Armenia

### President Discusses New Party Structures

*NC2912204095 Yerevan Radio Yerevan International Service in Armenian 2034 GMT 28 Dec 95*

[Last of three installments of a speech by Armenian President Levon Ter-Petrosyan at the Seventh Congress of the Armenian Pannational Movement in Yerevan on 23 December — recorded]

[FBIS Translated Text] The absence of a right to dual citizenship in Armenia has also caused some confusion. It is being regarded as a manifestation of a discriminatory attitude towards the diaspora Armenians, or rather as a tremendous danger threatening national unity. I again consider such an assessment to be either a misguided or an ill-intentioned one.

At first glance, it could really be considered reasonable to ask why the diaspora Armenians were not granted the right of dual citizenship, after all that would have symbolized the unity of the nation. Not to belittle this, in reality it would have had only a psychological significance.

But we were under an obligation to approach this issue with practical considerations for the consolidation of statehood. First, no diaspora Armenian is deprived of the right of obtaining citizenship of the Armenian Republic, rather they are exempted from all the requirements specified for foreign nationals.

Second, the right of dual citizenship would have been [words indistinct] a very abstract one for many in large Armenian communities in many countries.

Third, by obtaining dual citizenship, and this is very important, the diaspora Armenians in many countries would have lost their political influence. It is one thing when they speak as the citizens of a given country and put forward demands in the name of the Armenian nation, and another if they speak as the citizens of the Armenian Republic. With dual citizenship they would have immediately been (?considered) as foreign (?citizens), or as a conduit for foreign influence.

And fourth, the granting of dual citizenship to the diaspora Armenians would have entailed the recognition of a similar right to the citizens of the Armenian Republic. But, without exaggeration, that would have seriously threatened national security. We are already witnessing the fact that taking advantage of dual [Russian and Armenian] citizenship numerous residents of Armenia are avoiding their duties towards the state, in particular military service. Had we legally established dual citizenship we would not have had an army within two or three years.

Thus, the current situation in Armenia-diaspora relations gives ground neither to serious uneasiness nor to particular enthusiasm. Nevertheless, being aware of the importance of these relations, a special working group was set up within the presidential apparatus almost a year ago in which the best specialists from Armenia and the diaspora are included. The aim of this working group is to draw up a comprehensive program for the development of relations between Armenia and the diaspora and form the necessary structure for its realization. The working group has already organized a number of seminars and consultative meetings. I am sure that in the future the public will have the opportunity to learn about the results of these efforts. We are not hurrying, we are working in a steady but sound manner.

And now I want to touch upon the last issue in my address: The process of the formation of the political institutions in Armenia.

With the Constitution adopted on 5 July we effectively enshrined a system of state and economic institutions. We defined the jurisdictions and spheres of activity of the legislative, executive, and judicial organs, as well as the right of private ownership and free enterprise.

However, it is the state's duty not only to take care of the state and economic structures but also of the formation of social and political institutions. As such, the formation of parties as the fundamental institutions of democracy is one of the state's important (?tasks). From this perspective, I want to emphasize in particular the importance of the formation of the Republic bloc, not as a mere manifestation of preelection cooperation but as a potential for establishing a broad alliance of the truly national, liberal, and democratic forces in Armenia in the future. Accordingly, the Armenian Pannational Movement [APM] is not only under an obligation to consolidate this bloc and its parliamentary faction, but should also take measures to increase its membership.

I believe it is possible to increase the membership of the Republic bloc, which at present incorporates six parties. I think that APM should began talks with the Democratic Liberal Party of Armenia and Shamiram. I will also mention other political and public organizations, such as the union of the voluntary defense detachments, and (?associations) of industrialists, businessmen, and private owners in the rural sector. What is the objective of doing this? Both APM and the other parties included in the Republic bloc currently look like structures suspended in the air. Although they have their own social base and reflect the interests of some social strata — here I have in mind private ownership and free enterprise — that social base has not yet been formed and

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structured. That is, this bloc, lacking such structures, could be subject to jolts.

As of today we should start thinking not only about tactical problems but also about the future political structures of Armenia as a democratic and law-based state. Notwithstanding our good Constitution and strong structures of state authority, all these could be endangered if we do not have serious political institutions.

Today we are pleased with our pluralism and the prerequisites for the development of democratic traditions — we have already held two free elections, and there are already well known parties and political groupings — but it is still too early to talk about party activity in Armenia in the traditional sense. But we have no right to delay that process.

Yes — and we have nothing to hide from our people — I think that our ideology is based on the principle of defense of democracy, free market economy, private ownership, and free enterprise. And all those forces in Armenia that profess these same ideologies and principles will have to unite sooner or later independently of our will. [words indistinct] All the processes taking place in all the democratic countries will also take place in Armenia. Essentially, three political forces will have to take shape. [words indistinct] Three political forces: The rightist forces which defend the interests of private ownership, democracy, and free enterprise. The leftist forces which stress the fulfillment of the population's social needs. And third, the marginal forces which always acco ..pany democracy but which in no way can endanger the existence of the state when democracy is strong. These are the extremist nationalist forces that exist in all the civilized countries of the world and Armenia cannot be an exception.

At present, of these three forces the alliance of the rightist forces is the closest to taking final shape. It was not us but the opposition who was bragging about national unity and solidarity. Yet it failed to unite around the simple issue of getting rid of its demons during the elections. Around what issue are they going to unite when they failed to unite around that issue? We did not talk and brag about those issues but implemented them in practice.

It is natural that the rightist forces will be the first to take shape. This is because all the processes at present are moving in the direction of deepening democracy and economic reforms and the creation of a strata of private owners. And naturally these forces were destined to take shape first. This process will take place independently of us. I think it is time to start taking practical measures as of today. I have already begun that work and if you empower me I will come forward as the president or leader, call it whatever you like, of these forces. I am ready to assume this duty. [applause]

Therefore, I think it is clear what we should do. The Republic bloc should expand itself at the expense of the existing organizations endorsing similar ideologies, of course by holding talks and by proving the importance of this work. And most importantly, it is necessary to create new structures to be included within the bloc. The Armenian industrialists union — which will encompass our Republic's entire industrial sector — and the Armenian businessmen's union should be these new structures. A way should also be found to unite the private owners in the rural sector. Efforts in this direction are already underway and there is already a party.

After doing this, I think we will come forward with a broad coalition that at first will apparently be federative in nature. Each organization will preserve its autonomy while having its own federative structures. And in time, when the component parts are sure and convinced, there will be an amalgamation of these forces. I have in mind an amalgamation within an organization with the aim of eventually creating a strong organization like the Republican Party in the United States or the British Conservative Party.

Of course, a danger lurks here. The impression may be created that a superparty is being formed which might have totalitarian or monocratic aspirations. There is also an internal danger. I do not rule out that if no counterbalances exist we, as a political organization, in time may become the slave of the property owners, the defenders of their interests, and their hostage. Certainly, the property owners also have to take into account the people's social demands. There is no capitalist in the world that does not take this into account.

However, besides this inner awareness, there is also a need for external counterbalances. Alongside such a party, a socialist party is also necessary and it will emerge sooner or later independently of our will. I do not know if people to form such a party have emerged or not, but there is already an eternal ideology of socialism with constant followers and here we cannot be original and think that it will have no place in Armenia. It will, it has to, exist in Armenia. Otherwise, I repeat, a dangerous situation will arise if the private owners' interests gain supremacy at the expense of meeting the people's social needs.

Here is then, if you allow me to use Communist terminology, the approximate program of party building which I consider realizable and mandatory. [words indistinct]

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I reiterate that I am ready to serve this objective, which I consider as important as the formation of the state and economic structures in Armenia.

I do not want to expand on this issue. I will quickly start taking practical steps and will hold the first consultations with the industrialists, entrepreneurs, and private owners in the agricultural sector.

Finally, I want to touch upon the event that took place in this hall. I have in mind the proposal to put forward my candidacy in the next presidential elections. I want to express my gratitude and thanks for the [words indistinct] trust shown in me. It is really [words indistinct] a great honor in that it indicates that besides not having disillusioned and disappointed our people, I have also not disappointed you, my cothinkers, my friends. Thank you.

### Says 1995 Saw 'Positive Economic Tendencies'

*LD0101143796 Moscow INTERFAX in English 1359 GMT 1 Jan 96*

[FBIS Transcribed Text] YEREVAN, Jan 1 (INTERFAX) — 1995 was "a crucial year for consolidation of positive economic tendencies," Armenian President Levon Ter-Petrosyan said in a televised New Year address to the nation.

In his words, macro-economic balance was restored, the dram exchange rate was stabilized, foreign trade grew active and the living standards were on the rise, although a slow one.

A key role in this respect was played by a comprehensive program of 1995 Armenian social-economic development drafted with the help of international fiscal organizations, said the president.

The restored nuclear power plant helped Armenia to achieve partial energy independence, said Ter-Petrosyan.

The parliament elections and adoption of a new constitution in 1995 were an example of consolidated democracy and integrity of the state system, he added.

At the same time, all the economic achievements and building of Armenian statehood would have been impossible without truce in Nagorno-Karabakh.

A key task of this year is turn the truce into "a stable peace on the basis of just settlement of the Karabakh conflict," said the Armenian leader.

### British Foreign Minister Answers Daily's Questions

*NC3012141695 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 1112 GMT 30 Dec 95*

[FBIS Transcribed Text] Yerevan ("Azg" daily), 12/30/95 — With mediation of the Ambassador of Great Britain in Armenia David Miller, English Foreign Minister Malcolm Rifkind [secretary of state for foreign and commonwealth affairs], who will arrive in Armenia on 3 January, has answered to the questions stated by the Azg daily. We publish some of the questions and answers of British politician.

Q: - Do you believe that the principles of territorial integrity and of the right of nations for self-determination may be combined, and how?

A: - The right for self-determination should be necessarily maintained in parallel with other principles, particularly, with that of preserving territorial integrity. Our position in this regard is based on the international agreements as, for example, final Helsinki act of 1975. As a member-country of OSCE, Armenia is also required to follow it. This act defines the principles of non-violation of the borders of member-countries, preservation of their territorial integrity, as well as the right of nations for self-determination, based on international legislation, including the principle of territorial integrity.

Q: - What role does play the factor of the Azeri and Caspian oil and pipe-lines on the foreign policy of Great Britain? In this regard, within the framework of Great Britain's interests, what role does play Armenia and the Karabakh conflict?

A: - Use of the natural resources of the region is a trade problem first of all, which is interesting to the governments or companies. Development of the Caspian oil will serve for the benefit of the whole region. Resolution of the Karabakh conflict will enhance the security of investments and facilitate to economic development of the region.

Q: - Armenia was subject of a double blockade by Azerbaijan and Turkey for many years. What programs ad solutions does your country offer in this regard?

A: - We greet the decision about opening the air corridor between Turkey and Armenia, as well as restoration of other transportation links between your two countries. Normalization of the situation mainly depends on political resolution of the Karabakh conflict.

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**France To Provide Grain, Financial Assistance**

*LD2912212795 Moscow INTERFAX in English 1850 GMT 29 Dec 95*

[FBIS Transcribed Text] YEREVAN, Dec 29 (INTERFAX) — Armenia and France have signed intergovernmental agreements on providing food and financial assistance.

The agreement provides for France extending to Armenia 4,000 tonnes of food grain, Armenian Food Minister Ashot Voskanyan told INTERFAX Friday. The first grain will be supplied to Yerevan in a month. France will carry out the delivery.

Armenia received about 200,000 tonnes of humanitarian food grain in 1995, including 100,000 tonnes from the European Union and 100,000 tonnes from the United States. Proceeds from the grain's sale were transferred to the state budget and were spent on social needs, Voskanyan said.

Under the signed protocol, Armenia will receive from France 40 million francs, including 15.5 million francs for free and 24.5 million francs as a credit for a 40-year's time under 0.75 percent annually. The debt's repayment is to begin in ten years, Armenian Finance Minister Levon Barkhudaryan told INTERFAX.

The entire sum will be spent on raising safety standards on the Armenian nuclear power plant and building nuclear waste storages, Barkhudaryan said.

## Azerbaijan

**Aliyev Delivers New Year Address to Nation**

*LD0101143696 Moscow INTERFAX in English 1359 GMT 1 Jan 96*

[FBIS Transcribed Text] BAKU, Jan 1 (Interfax) — Azeri President Heydar Aliyev described the new constitution and elections of a new parliament as major events of 1995.

In his televised address to the nation, the president said these events "create prerequisites for further consolidation of independence of the Azeri state."

Commenting on the Karabakh conflict, he said that the cease-fire on the Armenian-Azeri front has been on for over 19 months. This creates good conditions for a comprehensive settlement of the Armenian-Azeri conflict this year.

Aliyev stressed the need for withdrawal of occupational troops from the seized Azeri lands and return of million of Azeri refugees to their homes.

In 1995 two coup attempts were prevented in Azerbaijan, said the president. In his words, the law-enforcement bodies worked to neutralize "illegal armed groups who are seeking power in Azerbaijan."

Commenting on the economic situation, Aliyev promised boosted implementation of the economic reform program in 1996. The country will start to implement a privatization program and a land reform this year.

**Official Says Negotiations With Armenia 'Successful'**

*NC0201115596 Baku TURAN in English 1048 GMT 2 Jan 96*

[FBIS Transcribed Text] Baku/02.01.96/TURAN — Direct negotiations between the representatives of Armenia and Azerbaijan took place on the eve of New Year in Amsterdam by the resolution of the Budapest summit of the OSCE Council of Ministers of Foreign Affairs. The meeting in Amsterdam has also become possible as a result of the will of the sides, the State Advisor to Foreign Political Affairs, Vafa Guluzade, told TURAN's correspondent. "My negotiations with the representative of Armenian President, Zhirayr Liparitian, were successful", he noted.

He said "it is the first step and such negotiations will be continued soon".

Vafa Guluzade thinks it untimely to submit the content of Amsterdam's talks to universal discussion. One can do that after achievement of final results and signing of the peace agreement between Armenia and Azerbaijan. "I can only acknowledge that the negotiations were a success", he said.

The State Advisor said now Armenia is well aware of the fact that it has no other way but peace. "A short time ago President Ter- Petrosian said Armenia's economic revival and its integration into the world economy is impossible without restoration of communications between Armenia and Azerbaijan. He said his country and Armenians of Nagorno-Karabakh are ready to make compromises during the talks with Azerbaijan", Guluzade said.

"I believe the year of 1996 will be turning point in restoration of peace in the region", Vafa Guluzade mentioned.

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## Georgia

### Shevardnadze Delivers New Year Address

*LD0101132196 Tbilisi Radio Tbilisi Network in Georgian 1938 GMT 31 Dec 95*

[New Year message from Georgian President Eduard Shevardnadze — live or recorded]

[FBIS Translated Excerpt] Dear friends, fellow countrymen! We have entered the last minutes of 1995. You will remember that at the end of 1994 I told you that the coming year would be a year of restoration. I believe that this forecast gives a fairly precise description of the outgoing year's place in Georgia's three-thousand-year history, and this is no exaggeration. I would call the outgoing year a year when faith was regained, hope reawakened, many good things began, and many initiatives were completed. It was a year when destruction stopped and construction began.

Of course, the main event of the outgoing year was the drafting, approval, and enactment of the new Constitution. We live in a constitutional country today. This is the main pillar of the country's independence, freedom, territorial integrity, and democratic development. If there is one thing we can congratulate ourselves on and cheer about, it should be the new Constitution of Georgia and the beginning of life in accordance with the basic law of the state. Congratulations!

Presidential and parliament elections have already been held in Georgia on the basis of the Constitution. Constitutional reforms of historic significance have already started in the legislative, presidential, and executive power. These will develop stage by stage and will bring good and material and spiritual wealth to all the citizens of Georgia.

I believe I have to reiterate now what I said on the day I took the oath: The strategic objectives of the president's policy are to build a law-governed state, to shape an open, democratic, and civic society, to create a market economy and integrate it effectively into the world economy. Decisive steps have been taken in all strategic directions, I mean politics, economics, culture, and the material and spiritual life of the nation.

A president whose people are happy is the happiest president in the world. This is the very object of my everyday concern and the ultimate aim of my life. [passage omitted]

I know that warm words cannot heat cold apartments, but I promise you one thing — my colleagues and I will do our best to ensure that this is the last cold winter in Georgia and that the people will have heating and many other commodities. On New Year's Eve, I would like to thank the people, to thank each of you for your patience while bravely enduring the crisis and for high civic consciousness which was displayed at its best during the 5 November presidential and parliament elections. [passage omitted]

The major objectives for parliament and the president will be man, the citizen, his material and spiritual well-being, and the happiness of all the mothers and children of Georgia. The president, parliament, and all power structures have no other objectives as important as this. Although a lot has been done in internal and foreign policy, I would like to stress particularly one major and very important deed we succeeded in. This is the creation of the Georgian Army. Yes, the Georgian Army has been created, and this makes it possible to resolve many problems. This is something we all have to be congratulated upon.

As the president and the commander-in-chief of the Georgian Armed Forces, I welcome the Georgian troops who are ready to defend the independence of their motherland. Our people place great hopes on them, and I am positive that they will justify these hopes and the people's faith in them and that they will be prepared to perform their historic mission in the fight for the country's integrity if this becomes unavoidable.

The outgoing year has been a crucial year in enforcing law and order and in the fight against criminals, especially state criminals.

On New Year's Eve, I greet the national police, the staff of the Justice Ministry, the Prosecutor's Office, the Ministry of Internal Affairs, the interior and border troops, and the Ministry of State Security who will protect peace, the rights and well-being of each citizen of our country, and the peace of the state. They have dealt a crushing blow to criminal elements, the mafiosi clans, dangerous perpetrators, terrorism, racketeering, and bribery. I thank them today.

Economics is the issue of our major concern. Great changes occurred during the year in monetary and credit policy. Financial reforms have been implemented. The new Georgian currency, the lari, has been introduced, and its rate is stable, trustworthy, and high. National income is increasing, albeit slowly. Business, commerce, and banks are growing stronger. Industry, agriculture, transport, and other branches of the economy are showing signs of revival.

The World Bank, the International Monetary Fund, the European Bank, and other international economic and financial organizations are rendering invaluable assistance to Georgia.

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Relations with other CIS countries, severed in the past, are being reinstated. Georgia's foreign economic relations with the countries of all five continents are developing. I would point out the wide-range aid rendered by the United States and the European Union, which involved hundred of millions of dollars. Our people will be grateful to them for many generations.

Social and economic development forecasts predict that salaries, pensions, and stipends will rise gradually. I have already mentioned this, but I would like to say it again. Monthly salaries of those working within the state sector will reach 200-250 lari, and the salaries of those engaged in the private sector will reach 250-300 lari and probably even more in the next two or three years. About 500,000 new jobs will be created. About 1 million people will get employment in the next five years. The citizens who left the country temporarily will come back. Georgia will live a sanguine economic life.

On New Year's Eve I greet Georgia's entrepreneurs, businessmen, tradesmen, farmers, bankers, and all those who help to create Georgia's market economy and who toil for their own as well as the people's well-being. A new free individual is being created during the era of reforms, who is himself shaping a happy life for himself and for the country, and the state helps him to do this.

Implementation of the economic reform is the fundamental principle of the president's policy and the authorities will not divert from this course. [passage omitted]

I greet Georgia's political parties, especially those who won the latest elections and members of parliament who received the people's supreme trust. I have constructive propositions for the opposition in parliament as well as outside parliament. Let us reach a national consensus, and let the year 1996 be the year of the final healing of our national consciousness. Let us toil together for the well-being of our motherland and the people! [passage omitted]

I would like to address words of sympathy to families who have lost their breadwinner, their father, mother, sister, brother, or child in the Abkhaz and Tskhinvali ethnic and political conflicts and the civil wars. The homeland remembers their names and services and will never forget them.

On New Year's Eve, it is with great sympathy and hope that I would like to greet refugees and displaced persons. I would like to assure them that the president, parliament, the entire public, and the authorities care for them. Their pain is the authorities' pain.

Although I have said this before, I repeat it here: that until we manage to restore our territorial integrity, all of us, irrespective of who we are, are in the position of a refugee.

I would like to welcome our countrymen who live in the temporarily occupied territory of Georgia — Georgians, Abkhaz, Ossetians, Armenians, and Russians who look forward to the restoration of Georgia's territorial integrity and to prosperity on this basis. Believe me, dear friends: this long-awaited time will come soon. Those who do not believe this today will change their opinion tomorrow. This is the logic of life. We will do our best to restore the collapsed bridge and live together as brothers in a single and united Georgia. I will take every measure to ensure that a productive Georgian-Ossetian and Georgian-Abkhaz dialogue takes place and develops, and that we finally make just decisions. [passage omitted]

As you know, international organizations and many countries have recognized Georgia as an important transit country. This will bring a lot of benefits to almost every region and the whole country, including Ajaria, Abkhazia, and South Ossetia.

Especially noteworthy is the role which the UN Security Council, the Organization for Security and Cooperation in Europe [OSCE], and the CIS countries play in the peaceful settlement of the conflicts in Abkhazia and former South Ossetia and in the restoration of Georgia's territorial integrity. International organizations have condemned the ethnic cleansing and genocide committed by the Abkhaz separatists against the Georgian population.

We are doing everything to solve ethnic and political conflicts by the peaceful means of political negotiation. However, if this policy does not produce the desired result, I cannot rule out the use of other methods in compliance with the Constitution, the norms of international law, and the principles of the United Nations.

The coming year, 1996, should be a decisive year in the restoration of Georgia's territorial integrity. To do this is my constitutional right and obligation as president. All citizens of Georgia wish to believe that our great neighbor, Russia, will have a decisive say in the implementation of this historic mission. By doing this, it will lay the foundation for centuries-long friendship and brotherhood between our peoples.

We are victims of aggression. Our constitutional duty is to defend ourselves against aggression by all legitimate means at our disposal. [passage omitted]

Whatever the final results of the parliamentary and presidential elections in Russia and whatever forces come to power in the country, political wisdom should

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nevertheless prevail in building new relations between the two sovereign states, Russia and Georgia. We are ready to cooperate with everyone who gets the mandate of their people. We will cooperate for the benefit of both countries and the world.

I am sending best wishes to Georgia's neighbor countries and peoples. The Georgian people want to have neighborly and peaceful relations with the peoples of Turkey, Iran, Russia, Armenia, Azerbaijan, Ukraine, the northern Caucasus, the countries of the CIS, and the Black Sea Economic Cooperation Organization. I would like to send greetings to the peoples and states of the world and their leaders, and I would like to wish them happiness and success in the new year.

I would like to address warmly the foreign diplomatic corps accredited in Georgia, offices of international organizations, and all our friends. I thank them for their support and sympathy. [passage omitted]

Davit Aghmashenebeli, our great king, gave us historic lessons of tolerance. The New Testament and the Knight in the Tiger's Skin [12th century Georgian epic] teach us philanthropy and tolerance. Love thy neighbor, the New Testament says. And only those who love mankind can be victorious in history. [passage omitted: greetings to all religions]

I am proud that I am the first to greet you at the New Year, dear friends, dear compatriots. Rejoice. God is with us. Good people, I wish peace to your homes, to your families, to your cradles, to your villages and towns. May a happy new year start for all of you! I wish you years of happy life.

Thank you.

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